

UNITED STATES PUBLIC HEALTH SERVICE

Callis H. Atkins to be an assistant sanitary engineer in the United States Public Health Service.

POSTMASTERS

TEXAS

Merle L. Alexander, Allred.
Sallie C. Milburn, Bryson.
Jesse C. Estlack, Clarendon.
John S. Cochran, Coahoma.
Aubrey I. Chapman, Columbus.
Virgil E. Wootton, Hunt.
Harley Arnold, Maud.
William G. Abernathy, Palo Pinto.
Cora Anderson, South Houston.
Simon D. Hay, Sudan.
James R. Oliver, Wells.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 9, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

O Thou who art perfect in love, purity, and power, we thank Thee that Thy providence abides through every change. Pity us if from our hearts no prayers arise and so thanks are returned for the bounties which Thou dost bestow upon us. Have mercy upon us if we fail to give out charity and sympathy and are unmindful that religion and morality are the dominant supports of our country. Blessed Lord, we would know that the fadeless virtues are those we contribute in self-forgetting service for God and native land.

Heavenly Father, we earnestly pray for our own America that in this hour she may break every chain of earthly indulgence, of vain ambition, and of callous indifference as becomes a free Christian people. Forgive us our pride, our vaunted boasting, and bring all men to their intelligence, to their self-control, that the spirit of unity and the desire to serve shall become imperative and the doorway of hope shall be thrown wider and wider to all men. Oh, let us lay aside every weight and the sin that doth so easily beset us and let us run with patience the race that is set before us.

"Lord God of hosts, be with us yet,

Lest we forget, lest we forget."

Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Saturday, March 7, 1942, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD, and to include therewith an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE HOLDING COMPANY ACT

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks.

The SPEAKER. Without objection, it is so ordered.

Mr. PADDOCK. Mr. Speaker, I am today introducing a bill authorizing the Securities and Exchange Commission to suspend during the existing emergency the so-called death-sentence provisions of the Public Utilities Holding Company Act.

This is desirable legislation for several important reasons, and since it authorizes without compelling the suspension of the death-sentence provisions, there is no possibility of harmful results.

These provisions, if rigidly enforced, would force the public sale, under present adverse conditions, of numerous utility operating companies. Such sales would necessarily be at distress prices, resulting in excessive and unjust losses to the many thousands of investors, including large numbers of persons of small means who own stock in the holding companies now owning these properties. There is no good reason for Congress to create such losses.

Another strong argument against compelling these sales of operating-company stocks at bargain-counter prices is the resultant damage to market values of other operating-company stocks. Whenever a stock of a well-known company is marked down excessively the stocks of similar companies inevitably suffer.

A third and equally forcible argument against forcing the immediate sale of these operating-company stocks under the death-sentence requirements is that public funds would be absorbed which could find much better employment in Government bonds or other investments really needed in our war activities.

I believe that this authorization to the Securities and Exchange Commission will enable that body to act wisely and helpfully in the existing emergency.

[Text of bill as introduced on March 9, 1942. Referred to Committee on Interstate and Foreign Commerce. By Mr. PADDOCK.]

Be it enacted, etc., That, notwithstanding the provisions of section 11 of the Public Utility Holding Company Act of 1935 (which requires the taking of action to bring about the simplification of public-utility holding-company systems), the Securities and Exchange Commission is hereby authorized to suspend the exercise of its functions and duties under such section to such extent as, in its judgment, will be not inconsistent with the public interest.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include excerpts from two newspapers.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. SMITH of Washington addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Judge R. V. Fletcher, vice president and general counsel of the Association of American Railroads.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE DIES COMMITTEE

Mr. ELIOT of Massachusetts. I have two requests to submit: First, to extend my remarks in the Appendix of the RECORD and include certain editorials; and, second, to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELIOT of Massachusetts. Mr. Speaker, I read from the printed copy of the hearings before the Rules Committee, February 11, 1942, at page 47:

Mr. DIES. * * * Do you know that Hitler and the Nazi government filed a protest with the Department of State against the Dies committee, asking for its discontinuance? That was comparatively recent.

And on page 48:

Mr. DIES. The Government of Germany protested against the work of the Dies committee, asking for its discontinuance before we became involved in war.

I now read from a letter sent to me by Sumner Welles, Acting Secretary of State, on February 24, 1942:

With reference to the question contained in the postscript of your letter, whether the German Government protested to our Government against the activities of the Dies committee and requested its discontinuance, the Department has been unable to find any record of such a protest.

Let us never forget that the chairman of the Dies committee is the man who is so frequently and so favorably quoted on the propaganda broadcasts of our deadly enemies.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. ELIOT of Massachusetts. I yield.

Mr. RANKIN of Mississippi. Does not the gentleman believe that Hitler would like to have the Dies committee abolished?

Mr. ELIOT of Massachusetts. Replying to the gentleman, I may say that the Nazi propaganda broadcasts quote the gentleman from Texas favorably and frequently.

Mr. Speaker, I yield back the balance of my time.

EXTENSION OF REMARKS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include an editorial on Government press agents.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. CLEVINGER asked and was given permission to extend his own remarks in the Appendix of the RECORD.)

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial; and also I ask unanimous consent to delete a part or all of the remarks I made on March 2.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. McGEHEE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include excerpts from editorials.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter from a constituent.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include excerpts from a broadcast by H. V. Kaltenborn on March 1, 1942.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WISCONSIN FARMERS SPEAK

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. STEVENSON]?

There was no objection.

Mr. STEVENSON. Mr. Speaker, I receive many letters from my farmer constituents giving vent to their feelings in reference to what is going on in the Nation. I want to read one of these letters:

HOLLANDALE, WIS.

Hon. WILLIAM H. STEVENSON,
Congressman, Third Wisconsin District,
Washington, D. C.

DEAR SIR: I should like to know why—with the so-called shortage of milk, and other dairy products—why should milk take a 15-cent drop per hundredweight just as soon as the farmers get a few pounds to sell. I have not noticed any drop in prices on anything we have to buy with the proceeds from the milk. And also eggs are going down, with a supposed shortage of eggs, and the hatcheries starting to use millions of eggs for hatching of baby chicks.

I think it would be all right to look into these matters. It don't seem right that farmers should be asked to produce more, with less help to do it with, and have to take less and less for products especially asked to step up production on, while the Congressmen vote themselves a pension.

Why not the farmers a pension also, who have always footed the bills can go hang. You don't dare to read this on the floor of Congress.

Yours truly,

OSCAR C. STINER.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short article on How Oregon Women Mobilize, by Mrs. Saidie Orr Dunbar, appearing in the Oregon Journal on February 26, this year.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

ATTEMPT TO BRING HARRY BRIDGES TO JUSTICE THWARTED

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, for the past 2½ or 3 years there have been many attempts to bring Harry Bridges to justice. There seems to be some mysterious hold that he has on influential sources that protects him, regardless of what he may do.

All Members of this House certainly are familiar with this case and they showed what they thought of it by their overwhelming vote. In a finding of facts, the only man ever qualified to hear such facts found Bridges guilty. He was again whitewashed by subordinate employees, who might have been subject to pressure. To the defenders of Bridges, whoever they may be, I am saying this, that Bridges is more dangerous today, during war period, than he was in peace.

I have been endeavoring since January 16 to get a hearing on my Resolution No. 401, pertaining to Bridges, from the Rules Committee. Despite the fact that some 10 members of this committee have indicated to me they would be glad to give me a hearing, on account of the personal opinion of the chairman this hearing has not been called.

The chairman assumes a great deal when he undertakes, if he does, to act for the other members on that committee. The chairman is either right or wrong in denying me this hearing. If he is right in his all-out knowledge that he should personally decide all these things, then this country can save a great deal of money by sending the other 434 Congressmen home.

If he is wrong, this hearing should be granted.

THE RULES COMMITTEE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. SABATH. Mr. Speaker, answering the gentleman from California, may I say that I do not set myself above the House or the membership thereof. Every Member outside of the gentleman from California knows that I have complied with all requests for hearings which are possible. Unfortunately he wants a committee appointed to investigate conditions which have had the attention of our courts and departments for the last 2 years. I would be only too pleased to give him a hearing, but the committee has over 40 different resolutions pending now that were introduced before his.

The gentleman is not satisfied with making the attacks on me here in the House. On February 11 he addressed a letter to me complaining that, although some members of the Rules Committee agreed that he be given a hearing, I refused to do so, and quoted my letter of January 17 stating "that he would be heard as soon as hearings on other resolutions were concluded." But even before I had a chance to read his letter I read the same in the Chicago Tribune, which is always pleased to criticize.

A few days ago he again called and threatened to take the matter up on the floor of the House, to which I answered that it was satisfactory to me, that all I desired was to be notified when he does. I leave it to the House whether there is any justification for his complaint as to my refusal to grant a hearing for creating another committee to investigate the proceedings and activities regarding the deportation of Harry Bridges.

I wish to add that this is the second time during my chairmanship where a complaint has been lodged against my refusal to grant hearings. Personally I feel that if I should act and report all resolutions for creating committees, the House could be kept busy. But as I recognize many of these resolutions are introduced only for effect, I am obliged to use my judgment in saving the time of the House and also of the Members from a multiplicity of such resolutions.

I am confident that no Member will arise and justly charge that he has not been afforded an opportunity to be heard by the Rules Committee on any application whenever conditions and time permitted. As it is, I repeat, there are before the Rules Committee about 40 resolutions and applications for rules, and it is impossible to act upon all of them. Therefore only those of real importance are taken up and hearings granted.

However, the House knows this is not the first time that the gentleman from California has called attention to Bridges' status. I venture to say that at least 20 times before he has talked about the very same matter.

At this time I think matters of greater importance deserve consideration, especially in view of the fact that the Appeal Board has acted adversely to the gentleman's viewpoint and the matter is now receiving consideration by the Attorney General. Furthermore I feel that the passing of any such measure by Congress

would be held to be a bill of attainder, prohibited by the Constitution of the United States, and on that point in the near future I shall submit a brief that will bear out not only my contention but that of real constitutional lawyers on the subject.

[Here the gavel fell.]

PVT. ARCHIE R. GURKIN, OF PINETOWN, N. C.

Mr. BONNER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]?

There was no objection.

Mr. BONNER. Mr. Speaker, yesterday there appeared in the Star and other morning papers a picture of a splendid North Carolinian typifying the young manhood of today who are now defending our Nation. The picture is of Pvt. Archie R. Gurkin, of Pinetown, N. C., son of one of North Carolina's outstanding families. He was the first casualty at Pearl Harbor. Though shot through the chest and back, thanks to our good Medical Corps, Gurkin has recovered and returned to duty. The spirit demonstrated by this North Carolinian, who was born and reared near my home town of Washington, N. C., is the same spirit that will win this war, and I say God-speed to him and others engaged in this mission.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by Owen L. Scott which appeared in the Washington Star of yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

THELMA CARRINGER AND OTHERS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 655)

The SPEAKER. The Chair lays before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4010, a bill for the relief of Thelma Carringer and others.

It is the purpose of the bill to pay the sum of \$1,500 to Thelma Carringer, widow of A. M. Carringer; the sum of \$500 to Burt Savage; the sum of \$550 to J. A. Cearly; and the sum of \$1,700 to Frank A. Fain, by reason of the death of Carringer, personal injuries to Savage, and payments in the nature of awards to Cearly and Fain, all in connection with the apprehension of three bandits who robbed the post office at Coker Creek, Tenn., of \$11.64 on October 7, 1930.

At the request of the postmaster at Coker Creek, Carringer, the chief of police of the nearby town of Murphy, N. C., with the assistance of Fain, night watchman at Murphy, and two citizens, Savage and G. J. Leatherwood, sought to apprehend the mail robbers.

When they overtook the automobile in which the bandits were making their escape, a gun battle ensued, resulting in the death of Carringer and personal injury of Savage, together with the capture and subsequent death of one of the bandits, Jess McPherson, and the capture of another bandit, Walter Bryson.

The third bandit, Casey Bryson, escaped but was subsequently apprehended in the nearby town of Andrews, N. C., by Cearly, a former police officer.

The Post Office Department has already paid, on account of the capture of McPherson, the maximum awards permissible under the existing law, as follows: \$750 to the widow of Carringer, \$750 to Fain, \$250 to Savage, and \$250 to Leatherwood, or a total of \$2,000.

The two Brysons were tried and convicted of the murder of Carringer in a State court. Since they were not convicted of a postal-law violation, the Post Office Department could not pay any reward on their account. However, the State of North Carolina, the county of Cherokee, and the town of Murphy did pay, on account of their capture, the following amounts: \$3,800 to the widow of Carringer, \$82 to Savage, and \$550 to Cearly, or a total of \$4,432.

It would appear to me, therefore, that the payments that have been made to the claimants in this case represent, both as to their total amount and as to the division of that amount between the Federal Government and the local governments, an appropriate and sufficient recognition of services performed and the injuries sustained by these claimants.

I do not think, moreover, that it would be appropriate to provide by special act for Federal rewards to individuals in excess of the amounts that have been provided by the general statute establishing the policy to be followed in such cases.

I regret, therefore, that I do not feel justified in giving the bill my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 9, 1942.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying document will be referred to the Committee on Claims and ordered to be printed.

There was no objection.

REGULATION OF BARBERS IN THE DISTRICT OF COLUMBIA

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5444) to amend the act to regulate barbers in the District of Columbia, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain what this bill does?

Mr. SCHULTE. This bill seeks to regulate the hours the barbers in the District of Columbia may work. The con-

ditions as to working hours under which barbers work here in the District of Columbia are more deplorable than in any other place in the United States. This bill has been reported unanimously by the committee.

Mr. MARTIN of Massachusetts. What are the conditions at the present time? The House would like to know what the conditions are at the present time and what this bill seeks to do.

Mr. SCHULTE. The conditions now are that barbers can be forced to work and they do work 17 to 18 hours a day.

Mr. MARTIN of Massachusetts. Does the gentleman mean an individual barber is required to work that long?

Mr. SCHULTE. Yes.

Mr. MARTIN of Massachusetts. What does this bill seek to do?

Mr. SCHULTE. This bill seeks to let the barbers work a 54-hour week, so they cannot be forced to work 7 days a week, as they are doing today.

Mr. MARTIN of Massachusetts. How about the days of the week upon which a barber shop can be kept open?

Mr. SCHULTE. That will be left to the barbers themselves. They will work out that program. In this bill they are given authority to work out that program.

Mr. MARTIN of Massachusetts. Have regular hearings been held on this bill, and has the committee reported it unanimously?

Mr. SCHULTE. The committee has reported the bill unanimously.

Mr. COX. Mr. Speaker, I object.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1943

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6709) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943, and for other purposes.

CALL OF THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House will be ordered.

There was no objection.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Arnold	Englebright	Kramer
Baldwin	Ford, Thomas F.	Lambertson
Baumhart	Gavagan	McKeough
Beam	Gerlach	Magnuson
Bender	Gifford	Mitchell
Bishop	Harris, Va.	Myers, Pa.
Bolton	Hébert	O'Day
Buck	Howell	Oliver
Buckley, N. Y.	Jarman	Osmer
Burgin	Jarrett	O'Toole
Byron	Jenks, N. H.	Patrick
Camp	Jensen	Plauché
Celler	Johnson, Ill.	Randolph
Cole, Md.	Johnson	Sacks
Copeland	Lyndon B.	Scanlon
Courtney	Kelly, Ill.	Schaefer, Ill.
Curtis	Kennedy	Scott
Davis, Ohio	Michael J.	Scrugham
Douglas	Kilburn	Shannon
Downs	Kieberg	Sheridan
Drewry	Kopplemann	Smith, Pa.

Stearns, N. H. Voorhis, Calif. West
Stefan Vreeland Whitten
Stratton Walter Worley
Tolan Wene Wright

The SPEAKER. Three hundred and fifty-eight Members have answered to their names, a quorum.

By unanimous consent, further proceedings, under the call, were dispensed with.

WAR PRODUCTION BOARD

The SPEAKER. The Chair desires to make a short statement and have a letter read.

A few of us 2 or 3 weeks ago had a talk with the Honorable Donald Nelson about Members of Congress having great difficulty in finding the proper person to talk to in the War Production Board in getting information. There was conversation about having someone designated by Mr. Nelson from whom Members of Congress could get information. This morning I received a letter from Mr. Nelson which, without objection, the Clerk will read.

There was no objection.

The Clerk read as follows:

MARCH 6, 1942.

MY DEAR MR. RAYBURN: In view of the intense interest of Members of the Congress in the various aspects of the operation of the War Production Board I have reached the conclusion that it would be mutually beneficial to the Congress and the War Production Board if a channel were provided through which congressional requests for information might be handled.

Because of the many varied activities of the War Production Board, Members of the Congress have great difficulty in locating the official who can give them a specific answer to their inquiries. As a result, they are confused about the whole organization and much of their time and that of officials of the War Production Board is consumed through unnecessary telephone calls and correspondence.

In view of the importance of a mutual understanding and a close working relationship between the Congress and the War Production Board, I have taken definite steps to establish a working liaison in both Houses of Congress. Mr. William J. Hays has been selected as a liaison officer of the War Production Board to the House of Representatives. I have instructed my assistants to work out with you provision for an office at the Capitol for Mr. Hays in order that he and whatever staff he needs may be available at all times to answer inquiries from individual Members of the House, to provide information about operations of the War Production Board, and to advise Members concerning action taken on matters with which they may be concerned.

I would appreciate your advising Members of the House of Representatives that effective liaison is being established immediately.

Sincerely yours,

DONALD M. NELSON.

The Honorable SAM RAYBURN,

House of Representatives.

The SPEAKER. The Chair will state that Mr. Hays has been installed this morning in the committee room of the Committee on Expenditures in the Government Departments, 304 House Office Building.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1943

The SPEAKER. The question is on the motion offered by the gentleman from Georgia that the House resolve itself into the Committee of the Whole House

on the state of the Union for the further consideration of the bill H. R. 6709.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6709, with Mr. RAMSPECK in the chair.

The Clerk read the title of the bill.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Oklahoma: On page 75, line 13, after "Government" and before the period, insert the following: "Provided further, That no payment or payments hereunder to any one person or corporation shall be in excess of the total sum of \$1,000."

Mr. WHITTINGTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, it will be conceded that the rule which has been adopted in connection with the consideration of this bill waives points of order against items in the bill, but the rule would not make in order amendments that would otherwise be in violation of the rules of the House. I believe it will also be conceded that the proposed amendment is not within the so-called Holman rule, as it does not appear on its face it will effect a reduction or a retrenchment in this appropriation. It may be contended that the proposed amendment is a limitation. I assert and make the point of order that it is not a limitation but is legislation in an appropriation bill, which is not admissible.

May I remind the Chair in that connection that this amendment comes at the conclusion of the paragraph under consideration on page 75, following line 13. This is the paragraph that deals with the total amount appropriated to carry into effect the provisions of the Soil Conservation Act for the year mentioned. I should like the Chair to keep in mind that under the Agricultural Adjustment and Soil Conservation Act not more than \$10,000 may be paid to any one person or corporation. The act contains this language:

Beginning with the calendar year 1939, no total payment for any year to any person under such subsection (b) shall exceed \$10,000

Now the paragraph under consideration provides for an appropriation of \$450,000,000 for soil conservation and there are several provisos. The first proviso is that not more than \$4,000,000 shall be made available under section 202 (a) to 202 (e). The second proviso is that no part of the amount shall be available for salaries and other administrative expenses except for the payment of obligations incurred prior to July 1, 1943, and I emphasize that proviso because it covers not only the payments but salaries. The third proviso is that such amount shall be available for salaries and other administrative expenses in connection with the formulation of the administrative program of 1943. The fourth proviso has reference to the transfer of funds. The fifth pro-

viso has reference to the payment of amounts that may accrue as a result of the use of seeds and fertilizer. The paragraph therefore includes salaries as well as the amounts that may be paid for complying with the soil conservation act.

The gentleman's amendment stipulates, and I read his amendment:

No payment or payments hereunder to any one person or corporation shall be in excess of the total sum of \$1,000.

Now, I assert that would be applicable not only to the soil conservation payments, but to the salaries and to the other payments, but, particularly, to the salaries embraced in this paragraph. I invite the Chair's attention to Cannon's Procedure, page 67, in support of the contention that the proposed amendment is really legislation and cannot therefore be admitted as a limitation. I call attention to the fact that it has been held under annotations on page 67 of Cannon's Procedure, that a limitation giving new construction of law is not admitted.

The salaries and the payments and the other items mentioned here are all fixed by law. This would make unlawful that which is lawful, and this is not admissible. I read from volume 7 of Cannon's Precedents, section 1606:

Whenever a purported limitation makes unlawful that which was before lawful or makes lawful that which was before unlawful, it changes existing law and is not in order on an appropriation bill.

Now, the payments are made in order by virtue of existing law and this would undertake to change the payments. The proposed amendment, therefore, would undertake to change payments that can only be changed by amending existing law.

If there were any citation of authority necessary to support this contention or if there were any facts that would be of benefit to support this contention, such fact is shown by the proposed amendment offered by the gentleman from Texas [Mr. GOSSETT] which does undertake to change existing law, and I submit that is the only way changes can be made. The only way to change the salaries recommended in this paragraph would be to change existing law with respect to salaries.

Under Cannon's Precedents, I repeat and quote:

Whenever a purported limitation makes unlawful that which was before lawful or makes lawful that which was before unlawful, it changes existing law and is not in order on an appropriation bill.

If an employee of the Government is receiving \$2,500 and you provide that that employee may receive under this limitation \$1,000, you change existing law. If you limit a \$10,000 payment, you change existing law.

Further, under Cannon's Procedure and Cannon's Precedents with respect to limitations, and not with respect to the Holman rule, I read section 1642 of the Precedents—

a provision repealing an existing limit on salary was held to be legislation and not a limitation. In support of that contention I cite volume 7, section 1642, of Cannon's Precedents.

This ruling was made in 1924 when the gentleman from Indiana, Mr. Everett Sanders, afterward Secretary to the President of the United States, was presiding in the Committee of the Whole. At that time the Treasury and Post Office appropriation bill was under consideration and the following amendment was offered:

Provided, That no person shall be employed hereunder at a compensation greater than that allowed except not exceeding three persons who may be paid not exceeding \$12 a day.

A point of order was made, and the Chair stated it, and I read:

A point of order is made against the amendment. The limitation upon the payment of salaries by law is legislation. Any appropriation which purports to do away with such limitation is legislation, and the point of order is sustained.

I respectfully submit that the proposed limitation is applicable to the salaries that may be paid and to the benefit payments that are fixed by existing law, not applicable to the benefit payments, whatever may be the intention of the author, but to all of the payments of every kind, whether salary, benefit payments or soil-conservation payments mentioned in this entire paragraph. I believe that the amendment is legislation and therefore not within the exception as to limitations, and should be sustained.

Mr. WOODRUM of Virginia. Mr. Chairman, I would like to be heard briefly on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Virginia.

Mr. WOODRUM of Virginia. Mr. Chairman, I think the amendment offered by the gentleman from Oklahoma is clearly in order and not subject to the objections indicated by the gentleman from Mississippi [Mr. WHITTINGTON].

In the first place, I think it is a very strained construction and not justified by the language to say that the amendment would apply to salaries. If it did apply to salaries it would still be in order. It is in order on an appropriation bill to say that none of the funds therein appropriated shall be used to pay any salary in excess of any amount you desire to name, notwithstanding the fact that the organic law may fix the particular salary at a higher rate. We are doing it in every appropriation bill. There are some of the agencies where the salaries of the chiefs are fixed at \$12,000 and \$12,500, and for years we have carried a provision that none of the funds shall be used to pay any salary in excess of a certain amount. Further, I think it is a strange construction that would apply that amendment to the salaries; but aside from that, the gentleman's objection is that it changes the method of making payments. It does not do it. The same rules provide that soil-conservation payments will continue, notwithstanding this amendment. It does not interfere with that or change the organic law at all. It simply puts a ceiling on the payment and says that you cannot pay any

amount above that. It would be impossible to draw an amendment more clearly within the rule permitting limitations on an appropriation bill.

Mr. WHITTINGTON. Mr. Chairman, I submit that if it be a limitation upon the payment of soil-conservation payments, the amendment should be to that part of the bill, and if it be a limitation on the salaries, the amendment should be offered to that part of the paragraph, and that a general limitation to the entire paragraph, which covers four or five different provisions, including payments and salaries, is not in order. To include salaries and other benefits is violative of the general rule that you cannot cover more than one limitation in an amendment.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I do not purpose at this time to discuss at length the point of order raised by the distinguished gentleman from Mississippi [Mr. WHITTINGTON]. I must confess that I am somewhat surprised and really amazed that the gentleman should seriously raise the point of order to the pending amendment. I, of course, agree thoroughly with the gentleman from Virginia [Mr. WOODRUM], who is one of the best lawyers and one of the outstanding parliamentarians in the House, that my amendment is clearly within the rule, and is merely a limitation. I desire to make it clear also that I have profound respect for the gentleman from Mississippi. He is without doubt one of the best lawyers in the House, as well as one of the ablest legislators, and, I might add, incidentally, that the gentleman for whom I have a very high regard is certainly one of the largest and most successful farmers in the South.

Members will recall, as I pointed out in my brief remarks last week, that only 2 or 3 years ago the former distinguished chairman of the Committee on Agriculture, Hon. Marvin Jones, sponsored legislation and finally was able to get a bill through his committee limiting these payments to \$5,000. Judge Jones is not only a great lawyer, as is evidenced by the fact that he is now a Federal judge on the Court of Claims, but he was familiar with the original Agricultural Act. He understood also the need for placing a limitation on these payments. Of course, the opposition raised the same objection then. But, frankly, no one took those objections seriously. I feel sure, Mr. Chairman, that the amendment is clearly within the rule, and without further discussion I now ask for the decision of the Chair.

Mr. WHITTINGTON. Mr. Chairman, if the Chair will permit, in response to that part of the statement of the gentleman from Oklahoma [Mr. JOHNSON] which applied to the proposition pending before the Committee, that this point was not either raised or decided 2 years ago when a similar appropriation bill was before the House, the language of the amendment to that bill, with which I am thoroughly familiar, was restricted to soil conservation and parity payments, and did not cover the general payments embraced in the entire paragraph now under consideration.

The CHAIRMAN. The Chair is ready to rule. The present occupant of the chair is informed just now that the point of order referred to by the gentleman from Mississippi was reserved and later withdrawn. The gentleman from Oklahoma [Mr. JOHNSON] offers an amendment, on page 75, line 13, after the word "Government" and before the word "parity", to insert the following language: "Provided further, That no payment or payments herein to any one person or corporation shall be in excess of the total sum of \$1,000."

From Cannon's Procedure, on page 61, the Chair reads the following:

The House in Committee of the Whole has the right to refuse to appropriate for any object either in whole or in part, even though that object may be authorized by law. That principle of limitation has been sustained so repeatedly that it may be regarded as part of the parliamentary law of the Committee of the Whole.

That was a ruling made by Mr. Chairman Nelson Dingley, of Maine, January 17, 1896. The present amendment against which the point of order has been made undertakes to limit payments which have heretofore been provided for by law. In the opinion of the Chair, the amendment is a limitation; and, therefore, the Chair overrules the point of order.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I am sure that every member of the Committee knows the purpose of the pending amendment. It is for the purpose of limiting these soil-conservation payments to \$1,000. A goodly number of Members feel that my figure is too high and will offer amendments to further reduce the limit. Others perhaps think that \$1,000 is too low. But certainly the present limitation of \$10,000 should be materially reduced.

As I am sure Members will recall, when the original law was enacted there was no limitation whatever on the amount that any one person or corporation might receive. Members will further remember that after the law had been in operation a year we saw the sorry spectacle of a few individuals and several corporations pulling down Government checks of \$25,000, \$50,000, and \$100,000 in these so-called soil-conservation payments. Congress and the country were horrified to learn that one corporation received in excess of \$1,000,000 in these payments. Of course, that was not the intent of the law. But when it was suggested that Congress act to correct such a weakness in the law there were those here who threw up their hands in holy horror and said those of us who were endeavoring to amend the bill were trying to wreck it. "You must treat all alike," they shouted. Congress, however, finally decided it must do something about it and a \$10,000 limitation was placed in the law. A moment ago I mentioned that the former chairman of the Committee on Agriculture favored making a drastic limitation. He finally introduced a bill, with the unanimous approval of his committee, making the limit \$5,000. That bill was brought to the floor of this House and fully discussed, and by an overwhelming vote

this House went on record placing a limit on these payments. So this House has heretofore spoken in no uncertain terms on the principle involved in this amendment.

On last Saturday, shortly after I made some brief remarks here, at which time I gave notice that I would offer the pending amendment, two or three gentlemen who heard my statement, and whom I respect as splendid, sincere gentlemen, came rushing down to me and said:

What are you trying to do? Sabotage the whole agricultural program?

We hear that word "sabotage" a great deal. That appears to be an overworked word these days. Another Member for whom I have much respect said:

What are you trying to do, Jed, wreck the entire program?

If Members will take the time to turn back the pages of history a couple of years and read the record you will find the same argument was used when Marvin Jones was fighting to make a limitation on these payments. Oh, no; I am not trying to sabotage the program. I am not endeavoring to wreck or hinder the program. I have supported the agricultural program despite its defects. I am here proposing to assist the chairman and his committee. I think he and his committee have done excellent work. His committee has already reduced this bill more than any other annual appropriation bill has been cut as yet, and I am sincere in complimenting these gentlemen on that record. But, here is a chance to save not a few thousand or a few hundred thousand, but to save millions and millions of dollars.

Now in support of my amendment let me say that I hold in my hand a partial list of those farmers—drug-store farmers—who are farming the farmers, who are getting in excess of \$1,000. You will be interested to look at this list. It is not the latest list, as I explained Saturday, but it is the latest I have been able to secure. I have tried to get an up-to-date list. This, I repeat, is not up-to-date, nor is it complete. Some States, including the State of Mississippi, are not in this list at all. Members will see it is a long, heavy, cumbersome list. I invite any to come and look at the list who may desire. There are more of these names on the list from my district than any other district in the State of Oklahoma—138 of them. I have looked over this list carefully. Some are very outstanding and influential citizens. Some are close friends of mine. The truth is, however, that a surprisingly small percent of these gentlemen are bona fide farmers. They do not reside on the farm and many never did. In many cases they are either insurance companies, mortgage companies, bankers, or in a few cases retired farmers. Few are actual bona fide farmers.

At this time, which is the darkest hour in the Nation's history, when we are called upon to cut to the bone all non-defense activities, the opportunity of saving the enormous sum of \$50,000,000 or over is no laughing matter. That is what is proposed here and that is what I am advised can be done by adopting my

amendment. It is one thing to talk loud and long about economy. Here is a golden opportunity to practice economy by your votes.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. WOODRUM of Virginia. It is unfortunate that we cannot have a photograph of that large volume which the gentleman holds in his hand, but I observe it is probably a couple of hundred pages.

Mr. JOHNSON of Oklahoma. Yes; considerably more than that.

Mr. WOODRUM of Virginia. And so heavy that even a strong man like the gentleman from Oklahoma rather bows under its weight. I applaud the gentleman in his effort to put some sense into this payment program.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. TARVER. Mr. Chairman, reserving the right to object, and I shall not. I hope the gentleman will be able to conclude within that time, since it is the purpose to have the consideration of the bill completed today, even though we may have to sit rather late. I trust that all gentlemen who desire to address the House will limit their remarks as much as possible.

Mr. JOHNSON of Oklahoma. I thank the gentleman.

The CHAIRMAN. How much additional time is the gentleman asking for?

Mr. O'CONNOR. The gentleman is making a convincing statement. I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Montana.

Mr. O'CONNOR. I wish to call attention to the fact that the book which the gentleman has in his possession discloses that in my own State of Montana a gentleman who, I believe, does not spend 1 month of the entire year in the State of Montana draws down, according to that book, the modest sum of in excess of \$17,000. In addition to that, there are three others who draw in excess of \$10,000, \$8,000, and \$11,000. I do not believe that this law was ever intended to enrich people who do not even farm, but as the gentleman has well said, "who farm the farmers."

Mr. JOHNSON of Oklahoma. I appreciate the gentleman's splendid statement.

Mr. TARVER. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. If the gentleman desires to ask a question.

Mr. TARVER. I do. The law now limits such payments to \$10,000, so it is impossible that anybody could have received more than \$10,000 in the State of Montana.

Mr. O'CONNOR. Mr. Chairman, I demand that the book be shown there. It shows that there is an item of \$17,000 paid to a Montana man.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I made the statement very plain that this was not the latest list.

Mr. O'CONNOR. I want it understood that the book discloses \$17,000.

Mr. JOHNSON of Oklahoma. That is correct, and there are several others. Since this book containing the list was printed Congress has placed a limitation of \$10,000 on the payments. So both gentlemen are correct.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. HOUSTON. I want to commend the gentleman from Oklahoma for having the judgment and courage to offer this amendment. I am very strong for it. Did I understand the gentleman correctly to say that his amendment would save about \$50,000,000 a year?

Mr. JOHNSON of Oklahoma. I am advised it will save at least \$50,000,000 a year, in its present form.

Mr. HOUSTON. Then I hope the amendment carries.

Mr. SOUTH. Mr. Chairman will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. SOUTH. How will the gentleman's amendment apply to a landowner who has, we will say, 15 or 20 separate tenant farmers?

Mr. JOHNSON of Oklahoma. It will limit to \$1,000 what any individual may get. Under the present law the limit is \$10,000. Yet I am advised that in some cases families have divided up their estates and four or five different members of the family or near relatives have been able to pull down these checks and thereby evade the law. That cannot be done under this amendment.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. STEFAN. I would like to ask the gentleman this question: Suppose a tenant farmer rents from an insurance company which has to have 50 or 60 farms; how will that affect the tenant?

Mr. JOHNSON of Oklahoma. I am of the opinion that my amendment, modified by the Case amendment or something similar, will take care of the tenants or sharecroppers.

Mr. AUGUST H. ANDRESEN. An insurance company that owns a large number of farms can rent them on a cash-rent basis and the tenant gets his money.

Mr. JOHNSON of Oklahoma. That is correct; and I might add that is what they are doing in many instances.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. RICH. No real dirt farmer could farm enough land to deserve a payment of \$10,000 a year. Is not this true?

Mr. JOHNSON of Oklahoma. That is how I feel about it. I believe the farmers are just as patriotic as any other class of citizens, whether they be big or little; and with General MacArthur and his brave men pleading for bombers \$50,000,000 would pay for a lot of them.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. BECKWORTH. I commend the gentleman for offering this amendment. I believe it is a step in the right direction. The figures available after 1934 showed that one-half of 1 percent of the producers of cotton were producing about 16 percent of the cotton, which means they were getting about 16 percent of the income from cotton. This is an amendment which has for its purpose the cutting down of the big payments which a few farmers would receive.

Mr. JOHNSON of Oklahoma. I thank my distinguished and able young colleague from Texas for his statement. In that connection, I may say that I happen to know of a man who 2 or 3 years ago had 19 different farms, every one of them occupied by a renter. Within the past 2 years, I am reliably informed, he has torn down every one of those rent houses and every one of his renters has gone to town in a vain effort to get on relief; and the owner is pulling down the cold cash in the form of fat conservation payments. That practice is entirely too prevalent in Oklahoma, as well as other agricultural States. I want to protect the sharecropper and the small family-size farmer. I want to encourage the small farmer to remain on the farm, or return there to help in the gigantic task just ahead to feed the world.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Substitute amendment offered by Mr. CASE of South Dakota for the amendment offered by Mr. JOHNSON of Oklahoma: Page 73, line 16, after the word "inclusive", insert: "Provided further. That no payment or payments hereunder to any person or corporation shall be in excess of the total sum of \$1,000; and provided further. That this limitation shall not be construed to deprive any share renter of payments not exceeding that amount to which he would otherwise be entitled."

Mr. CASE of South Dakota. Mr. Chairman, I have no desire to take any credit from the gentleman from Oklahoma in offering the amendment; in fact, I would rather the few additional words I have added to his amendment in the form of this substitute might be added by him, and if there is no objection it would be satisfactory to me. My suggested amendment is exactly the Johnson amendment with these words added:

And provided, That this limitation shall not be construed to deprive any share renter of payments not exceeding that amount to which he would otherwise be entitled.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I may say that the gentleman from South Dakota submitted to me his amendment, not before I offered mine but before I took the floor, and I said at that time that I saw no objection to it. So far as I am concerned, I have no objection to adding those words to my amendment.

Mr. CASE of South Dakota. Mr. Chairman, would it be in order for me to ask unanimous consent that the wording which I have offered plus the Johnson amendment be added to the Johnson

amendment and to withdraw my substitute?

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] asks unanimous consent that the language of the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON] be changed to coincide with the language of the substitute which he offered, and that his substitute be withdrawn. Is there objection?

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I want to call the attention of the gentleman from South Dakota [Mr. CASE] to the fact that he forgets one very important thing. In the case of an insurance company having 120 farms, for instance, in my district, maybe a thousand in the State of Minnesota, that insurance company is not going to go in on the program unless it gets its pro rata share of the soil-conservation program.

Mr. CASE of South Dakota. My addition is to protect the man who rents from the insurance company.

Mr. H. CARL ANDERSEN. Just a minute. Consequently, that insurance company is going to say to the renter, "You cannot lease this farm from us unless you agree to stay out of the soil conservation."

Mr. CASE of South Dakota. That would be equally true under the original Johnson amendment. It does not help the insurance company.

Mr. H. CARL ANDERSEN. In other words, the gentleman from South Dakota admits that both the amendment offered by the gentleman from Oklahoma and his amendment are not worth the paper they are written on as far as the protection of the tenant is concerned.

Mr. CASE of South Dakota. That is the gentleman's opinion, but he overlooks the fact that, under current rulings, a share renter is automatically out of compliance if his landlord is out of compliance on any of the farms he operates. The addition I suggest will protect the renter who is in compliance regardless of what his landlord does on his other farms.

Mr. HOPE. Mr. Chairman, reserving the right to object, is it not true that no tenant can get any benefits under the program unless he complies with certain requirements? If he is operating under a landlord who says, "No, this farm will not go in the program because I cannot get any benefit from it," how is his amendment going to help the tenant under those circumstances?

Mr. CASE of South Dakota. He could not come in anyway if the landlord would not rent the farm to him if he intended to comply. My suggestion will help the tenant who does rent on shares by protecting him against being ruled out of compliance on the ground that he is a joint operator with a landlord who is out of compliance on some other farm.

Mr. HOPE. Mr. Chairman, further reserving the right to object, may I suggest to the gentleman that I have an amendment at the Clerk's desk which I think will take care of that situation inasmuch as it provides that the limitation shall not apply to a landlord but shall apply to an independent operator or a tenant?

Mr. CASE of South Dakota. Does the gentleman's amendment also carry the thousand-dollar limitation?

Mr. HOPE. Yes; it is an amendment to the Johnson amendment, and simply provides that the thousand-dollar limitation shall not apply to a landlord where the relationship of landlord and tenant exists under the usual and customary standard of such relationship.

Mr. CASE of South Dakota. That is somewhat similar to the bill the House passed last year in which I was very much interested and to which I have no objection.

Mr. HOPE. It is the identical language.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, may I ask that the amendment as perfected be read for the information of the house?

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]?

There was no objection.

The Clerk read as follows:

Provided, further, That no payment or payments hereunder to any one person or corporation shall be in excess of the total sum of \$1,000, and provided further, that this limitation shall not be construed to deprive any share renter of payments not exceeding that amount to which he would otherwise be entitled.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

Mr. GILCHRIST. Mr. Chairman, reserving the right to object, may I inquire of the gentleman what is meant by "share renter"? There are a great many places in the country where there is a combination of rents. For example, the landlord will charge something for pasture land or lots in money, but the rest of it he charges by way of share rental. Now, in that case would that farm come under the provisions of your limitation or not where he charges money for the lot and pasture and otherwise a share rental?

Mr. CASE of South Dakota. I think the basic farm act of 1938 used the word "sharecropper" rather than share renter. Whatever is the interpretation there I would understand that the same interpretation should apply here. The reason for the additional language I have suggested grows out of the fact that it has been held that wherever the payments to the landlord come out of the A. A. A. payments, that he is a part or joint operator of the farm, and if he is out of compliance on one of his farms that lack of compliance follows through the landlord to every one of his share renters.

Mr. GILCHRIST. That is certainly true.

Mr. CASE of South Dakota. It does not follow to his cash renters. If a renter can pay cash for his rent, he can rent a farm from a landowner who has several farms and can qualify on his own conduct and not be affected by whether the landlord is out of compliance on other farms. The language I have suggested gives the share renter equal rights with the cash renter in this regard.

Mr. GILCHRIST. But here is a case where they are both share and cash.

Mr. MAY. Mr. Chairman, I demand the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota to modify the Johnson amendment by adding the second provision of his amendment?

There was no objection.

Mr. TARVER. Mr. Chairman, may we see if it is possible to arrive at some limitation of debate on the amendments to this paragraph?

Mr. TABER. Will not the gentleman try to limit debate on this amendment and all amendments thereto, rather than on the paragraph itself?

Mr. TARVER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto or substitutes therefor close at 2 o'clock.

Mr. H. CARL ANDERSEN. I object, Mr. Chairman.

Mr. TARVER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto or substitutes therefor close at 2 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Georgia.

The question was taken; and the Chair being in doubt the Committee divided and there were—ayes 54, noes 53.

Mr. HOOK and Mr. GILCHRIST demanded tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TARVER and Mr. HOOK.

The Committee again divided; and the tellers reported that there were—ayes 82, noes 75.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed out of order for 2 minutes, not to be charged to the time allotted to the pending paragraph.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, may I suggest to the Committee the importance of curbing unnecessary debate this afternoon. Unless we finish the bill tonight it must be laid over until later in the week or next week to make way for the consideration of pressing matters relating immediately and urgently to the defense of the country. The civil functions bill must be brought up tomorrow regardless of whether we are able to complete this bill today.

This bill has already occupied an unprecedented amount of time. Never before, so far as I know, have we spent so much time on this bill. This is not due to the nature of the bill, because it is the most conservative bill presented for several years.

We do not want to curb necessary debate. Every item in the bill should be thoroughly considered. But may I express the hope that those who merely wish to emphasize what has already been said by speakers ahead of them content themselves with extending their remarks in the RECORD. We shall appreciate the

cooperation of Members in expediting the consideration of the bill, in order to take up at the earliest possible moment matters of direct and immediate importance to the defense of the Nation.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas as a substitute for the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON]: Page 73, line 16, after the colon following the word "inclusive", insert the following: "Provided, That no total payments for any year to any person, firm, or corporation under this section shall exceed \$500: And provided, That this limitation shall not be construed to deprive any share renter of payments not exceeding \$500 to which he would otherwise be entitled. In the case of payments made to any individual, firm, or corporation, or estate on account of performance on farms in different States, Territories, or possessions, the \$500 limitation shall apply to the total of the payments for each State, Territory, or possession, for the year and not to the total of all such payments."

Mr. REES of Kansas. Mr. Chairman, I offer an amendment to limit the payment of soil-conservation funds to any one person, firm, or corporation in the maximum amount of \$500. This amendment does not affect parity payments.

Mr. Chairman, I believe that soil-conservation money is intended to serve at least two purposes. One is to assist the farmer to some extent in the carrying on of his farm operation expenses and the other is to help in the building of a soil-conservation program. Compliance with the program was also intended to help in the reduction of surplus crops by taking a considerable amount of acreage out of production.

I do not criticize the soil-conservation program, but I do feel that a considerable amount of money has been spent on this program that could have been saved. Too much of it, I think, goes to the big operator who, after all, is the one who creates the surpluses, if there are any, and too small a share goes to the ordinary, average farmer. We ought to give a little more consideration to the farmer who operates the family-size farm and give less help, I think, to the big operators. They are in a pretty good position to take care of themselves.

Some time ago I introduced a bill that would give the small operator a little larger and fairer share of soil-conservation funds. I did not have much success with that proposed legislation.

In support of my amendment I direct attention to the manner in which the soil-conservation funds are distributed.

This Congress appropriated, for soil-conservation funds for the year 1940, a total sum of approximately one-half billion dollars. The gross payments amounted to \$442,711,000, and 6,009,496 farmers participated.

Now here is the way the program worked out. One million six hundred fifty-one thousand and seventy-five, or 27 percent of those farmers got payments of \$20 or less. Three million one hun-

dred thirty-two thousand five hundred and twenty, or 52 percent of them, got \$40 or less. Putting it another way, we settled with 52 percent of our farmers by paying them \$58,013,000 out of the \$442,711,000. It took just a little less than that much money to administer the act. Four million eight hundred ninety-one thousand and fifty-nine, or more than 81 percent of our farmers, got all the way from \$1 to \$100. They got \$168,288,000 which is approximately one-third of the amount appropriated. The average payments for the 81 percent were \$35 each.

Mr. Chairman, 99.66 percent of all of those who participated in the soil-conservation program of 1940 got less than \$500 each. They got a total of \$361,301,000. It just seems to me that we have a chance here to save in the neighborhood of \$50,000,000 without injury to anyone. We would still have \$25,000,000 that could be paid to those who are now receiving extremely small payments. The adoption of this amendment will reduce the payments of less than four-tenths of 1 percent of our farm operators who really do not need these funds and should not, in view of present conditions, expect from the Federal Government for soil conservation more than \$500.

Mr. Chairman, in view of the great demand on the part of our Government for increased production on all fronts, and since we are to have an expansion in the planting of crops rather than to limit them, except only in a few cases, it seems to me that we could do well to take off a lot of requirements that are now in effect and give the farmer a chance to go ahead and raise his crops without being hampered. I do not want to destroy the soil-conservation program. This amendment will not destroy it in any respect.

You will not injure the farmer at all. As a matter of fact, you would still have about \$20,000,000 for those who receive scarcely anything under this program. We can save fifty or sixty million dollars that would, otherwise, go to the big operators who do not need it and should not ask for it.

Mr. Chairman, I should call your attention to the fact that my amendment has nothing to do with parity payments.

Mr. Chairman, the soil-conservation program came into being when conditions, as regards the farmers as well as the country, were far different from what they are today. The farm program should be revised to meet the demands of today and not of a few years ago.

Mr. Chairman, the demand of the hour is to produce more and more food, and for less restriction and less hampering of any kind. "Food for freedom" is the slogan now.

Mr. Chairman, all the farmer asks is that he be paid a decent price for his products compared with what he is required to pay for the things he needs to buy. Do you realize that even during the last 2 years the average annual farm income, after allowance for rents and for food produced on the farm, was only a little over \$900?

Mr. Chairman, I believe most important right now is to reduce restrictions and then see the farmer is paid a fair

price for his products on the basis of what he is required to pay for the things he needs.

Mr. Chairman, the farmers of this country will work still harder and for longer hours to meet the demand for more food in this country, as well as for the Allies across the seas.

Mr. Chairman, the American farmer can be depended upon in this hour of our Nation's peril. He will accept the challenge of "food for freedom," and he will not be found wanting in any other demand that may be required for his country's welfare.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK] for 1 minute.

Mr. HOOK. Mr. Chairman, I think this is a very commendable amendment. We have heard much about economy here and we have seen going down through the lines those who have opposed appropriations for the family size farm. Now we have a chance to save \$50,000,000 here and the only ones who will be affected are men like—well, you boys from the South know Oscar Johnson, with his \$1,300,000, and those who are getting payments far beyond what they deserve. I mention Oscar Johnson because of the large Government check he received before we limited the payments to \$10,000. He is the Farm Bureau Federation lord and czar who, I am informed, pays the Farm Bureau dues for all his tenants, en bloc, and then charges it back to them when he settles with them after the season's crops are sold. You southern boys should vote for this amendment and relieve yourselves of the enormous pressure from this source. Ed O'Neal, Oscar Johnson, Earl Smith are the Farm Bureau representatives who are pressing for the destruction of the Farm Security Administration, which helps the family-size farm, but they are in favor of these large payments. When the Farm Security Administration appropriation section of this bill is being considered, remember that it is those who have received these large checks in soil-conservation payments who are opposing the Farm Security Administration. They attempt to lead you to believe it is communistic in its activities. It is not. It is doing a real American job. I know that the Catholic Church cannot be accused of supporting anything that is communistic. Well, Monsignor O'Grady, head of the National Catholic Charities, and Father Ligutti, Catholic Rural Life Association, and his colleagues, are in favor of the Farm Security Administration. I know that they would not so favor this program if they could detect any communistic techniques or intentions in its activities.

I want to include here the following telegrams. The first one by Ed O'Neal, of the Farm Bureau Federation, to all farm bureaus, and copy of telegram in answer thereto by Philip Murray to the gentleman from Massachusetts, the Honorable JOHN McCORMACK:

[Telegram from Ed. O'Neal to all Farm Bureaus]

MARCH 5, 1942.

The Agricultural Appropriations Committee did not carry out our recommendations

for economy in the enormous cost of administration of Farm Security Administration and other agricultural agencies. The press reports Congress of Industrial Organizations President Murray vigorously attacking our present farming system, including use of modern labor-saving machinery, and requesting all his local units wire all Congressmen in behalf of appropriations. It is vital to our organization and that of agriculture that we win this battle and reduce this intensive bureaucracy. I appeal to you to give us your aggressive support in this crucial struggle by contacting all your Congressmen immediately in every way possible, including a heavy barrage from your counties and from those interested in any phases of agriculture.

MARCH 7, 1942.

HON. JOHN W. McCORMACK,
Majority Leader, House of Representatives,
Washington, D. C.:

My attention has just been called to a telegram sent by President Edward A. O'Neal, of the American Farm Bureau Federation, to branches of that organization calling for the slashing of the program of the Farm Security Administration and other farm agencies, and accusing me of attacking our present farming system in my recent message to Congress of Industrial Organizations unions. I consider the bond of friendship between organized labor and organized farmers to be so important to the country as a whole as to forbid all heated controversy between spokesmen for the two groups. I am obliged, however, to point out that I made no attack whatsoever upon our farming system, but urged instead that the program of the Farm Security Administration means the preservation of that system in its most human and typically American form—the family farm. I did not suggest for one moment that the use of labor-saving machinery should be restricted, believing, on the contrary, that the use of modern methods by independent farmers individually or in cooperation is desirable and important. What I did say, however, was that the country could not rely in this emergency for the production of needed foodstuffs upon corporation farms operated by absentee owners through hired managers, who had no personal stake in their work. I said, and I repeat, that if agricultural production is to be expanded sufficiently for purpose of our victory, the expansion must come from the independent farmer who operates the family sized farm, and that such farmers receive their principal assistance from the Farm Security Administration. I said that labor was going to stand shoulder to shoulder with these farmers throughout the emergency, and that the Congress of Industrial Organizations favored the expansion of the Farm Security program. Organized labor purposes to lend whatever help it can to the working farmers of this country and to the Government agencies which aid those farmers. It is a source of keen regret to me that President O'Neal has misconstrued my comments, and I trust that you and the Members of Congress will understand the real issues.

PHILIP MURRAY,

President,

Congress of Industrial Organizations.

This amendment should be adopted in the interest of good government and in the interest of the real farmer of America.

I ask each and every one of you to spread democracy in America by supporting the appropriations for F. S. A., so that those brave boys on the battlefield, who are offering their lives for democracy, may return to a Nation which has preserved its democratic way of life. They are fighting to defend it. Let us fight here to preserve the gains we have made for it.

Vote for this amendment and oppose any cuts in the appropriations for the Farm Security Administration, the Farm Bureau Federation notwithstanding.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON].

The Clerk read as follows:

Amendment offered by Mr. HOPE to the amendment of Mr. JOHNSON of Oklahoma: After the figures "\$1,000", strike out the remainder of the amendment and add: "But in applying this limitation there shall be excluded amounts representing a landlord's share of a payment made with respect to land operated under a tenancy or sharecropper relationship if the division of the payment between the landlord and tenant or sharecropper is determined by the local committee to be in accordance with fair and customary standards of renting and sharecropping prevailing in the locality. In the case of payments to any person on account of performance on farms in different States, Territories, or possessions, the limitation shall be applied to the total of the payments for each State, Territory, or possession for a year, and not to the total of all payments."

Mr. WHITTINGTON. Mr. Chairman, will the gentleman from Kansas yield?

Mr. HOPE. I have just a moment.

Mr. WHITTINGTON. Is that the same limitation as the one reported by the gentleman's committee and passed by the House last year?

Mr. HOPE. That is true.

Mr. Chairman, I am trying to do in this amendment what the gentleman from South Dakota and the gentleman from Kansas are trying to do; that is, to permit tenants to stay in the program under this limitation. Now, unless you permit landlords who may operate multiple farms to come into the program and stay in the program, you are going to have thousands and thousands of tenants who cannot come in. The gentleman from Minnesota stated awhile ago that they could pay cash rent and come in. This is true, but most tenants are not in position to pay cash rent.

Now, while the gentleman from Kansas [Mr. REES] and the gentleman from South Dakota want to protect the tenant in his payments the amendments which they have offered will not do so. Both the Johnson amendment and the Rees amendment put a straight limitation of \$1,000 on payments. Almost half of the farmers in this country are tenants. In many cases they rent farms from landlords who own a great deal of land. Some of these landlords are individuals, some are corporations. If a landlord is limited to total payments of \$500 or \$1,000 when he owns many farms, he will not come into the program. He cannot afford to let his tenants come in. The result will be that many thousands of tenants will be forced out of the program. The further result may be that many large landowners will decide to operate their farms with hired labor, thus dispossessing existing tenants. This will occur because they will figure that they can operate more cheaply and efficiently that way. On the other hand, if my amendment to the Johnson amendment is adopted, and the Johnson amendment

is adopted, it will be distinctly to the advantage of any large landowner to operate through tenants. This should result in more farmers and farm families and fewer hired laborers on our farms. In other words, it will mean many more farm homes, an entirely desirable situation.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I rise in support of the Hope amendment.

No man in this House has given more thought and attention for several years to this matter than the gentleman from Kansas, Representative HOPE, who has been on the conferences when we have been trying to reduce this amount all the way from \$10,000 down, and I am very much in favor of his amendment to the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON]. It will save the tenants, and that is what we want to do in this matter. It is not the landlord, but it is the tenant that we should help at this time.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, the distribution of \$10,000 checks to individuals or big corporations from this fund was surely questionable during peacetime, and it is indefensible during wartime. This is one of the bad parts of the agricultural program. There is not any sense in "rolling out the barrel" and turning out millions of dollars to the landed aristocracy of this country at this time. Five hundred dollars will pay all taxes and insurance on any family-size farm in America.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I really regret that we do not have enough time to adequately discuss this important amendment. We have worked for a solid week on this bill. Now when we come to one of the most important amendments the time is limited to about 26 minutes. I wish I had an opportunity to go into this matter in full and in detail. If we are going to have a soil-conservation program we want a program that will conserve the soil. This was the intent of the program when instituted originally. The title to the original act on soil conservation, passed in the Seventy-fifth Congress, says this in part, "to provide for the conservation of national soil resources * * *." Now, if the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON] is approved by this body we might just as well write it off, and there will be no more soil conservation. There are 2,800,000 tenants right now in America, and just as sure as the gentleman's amendment is adopted, a good part of the 2,800,000 tenants will go on the relief rolls. I hope the amendment of the gentleman will be defeated.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman

from Kansas [Mr. REES], which places a limitation on the payment to any individual of \$500 for any one year. This amendment is the same amendment that was printed in the RECORD, and fully protects all tenants and sharecroppers who rent their land from multiple land owners. The amendment is necessary at this time. It distributes the money to family-sized owned and operated farms. If you favor giving aid to the small farmer, here is an opportunity for you to vote for an amendment that will give him a just and equitable share of the soil conservation payments.

Mr. SOUTH. Mr. Chairman, I rise in support of the Hope amendment. I do not think it is just what we need but it is better than anything else that has been offered. There is a great deal of shadow boxing going on about this farm program, or else there is a good deal of misunderstanding about it. In the first place if the average landowner is not permitted to share in the benefits through the operation of tenants, he will do away with his tenants, and that is what is hurting the farm program today. I have often undertaken to defend the farm program by saying that it is not responsible for the removal of tenants from the farm but, Mr. Chairman, we have to admit that it has done very little toward stopping that trend.

Certainly this is not the time or place to limit the amount of land a single individual or corporation should be permitted to own, if such a plan were desirable or necessary. We are dealing here with the amount of soil conservation benefits which a single person should be permitted to receive. If the farm program is seeking to keep as many tenants as possible on the farms until they can acquire their own homes, then we had better not take any action which would induce the landlord to get rid of his tenants. This has already been done to a great extent. I do not care how low you fix the amount of the landlord's share, so long as you deal with each tenant-occupied farm as a single unit, but you will defeat the purpose which real friends of the tenant farmer seek to accomplish if you lose sight of the individual tenant farmer. Until some way has been found for keeping tenant farmers on the farms and out of the cities and towns, and finally on relief, we cannot say that we have done much of lasting benefit for the lower-income group on the farm. We must not deal with this question lightly or hastily. It deals with one of America's greatest economic problems.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, I have consistently, over the years, supported the conservation program of protecting our farms, forests, and other natural resources, and I have likewise supported the principle of parity prices for the farmers of the Nation. Believing that the amendment of our colleague the gentleman from Oklahoma [Mr. JOHNSON] is in the interest of conservation and will promote the best in-

terest of the average farmer of our country I am supporting it. While the conservation of the soil of the Nation should receive the approval of the Congress and the people of the country, yet I am not unmindful of some abuses that have been practiced. The real purpose of the Congress was to conserve and build up our soil. Literally billions of dollars have been spent by the Government in carrying out this program. Congress also had it in mind to help the medium-sized farms, the small farms, and the sharecropper and the tenant farmer. I think this most laudable program has been abused and brought into disrepute. We were amazed some 4 or 5 years ago to learn that more than one big corporation owning thousands of acres of land received approximately a million dollars in benefit payments in one instance not to produce cotton and a million dollars in another case not to produce sugar, and one particular concern received \$245,000 in benefits not to raise hogs. Hundreds of insurance companies, trust companies, and other corporations holding large tracts of land received \$10,000 to \$50,000 and many of them \$100,000 not to produce rice, sugar, cotton, or other products.

It took a 2-year fight to require the Secretary of Agriculture to make public the names of individuals and concerns that received \$10,000 or more in these benefits. The country was amazed and shocked. We were unable to fix a limit at that time on the amount that an individual or corporation could receive in benefits in a single year. Finally a limit of \$10,000 was fixed. This was too high. This limitation was reduced to \$5,000. The amendment of our colleague, Mr. JOHNSON, limits to \$1,000 the amount that any individual or corporation can receive in a single year of these farm benefits under the conservation program. The number of individuals and corporations holding large tracts of land who have been receiving in the last year or two in excess of \$1,000 in benefits makes a large book several inches thick. The last report I saw showed that the average farmer in the Nation received less than \$75 per year of these benefits. The large sums were paid out to the big insurance companies, big banks, and trust companies on large boundaries of lands held by them. If anyone needs this help and benefit, it is the medium-sized and small farmer, the sharecropper, and tenant farmer.

Some few years ago the Commissioner of Agriculture appointed a commission to look into the conservation program and the cut-outs as carried on by the Department of Agriculture. It was found that the policy being pursued in the South alone forced a million farm tenants and sharecroppers from the lands of these large holdings into the cities on relief. Many of these big landowners were making more money not to cultivate their lands than to cultivate them under the benefit payment and conservation program.

Mr. JOHNSON and others informed us that if his amendment is adopted, it will save \$50,000,000 of the taxpayers' money, and will not injure the conservation pro-

gram. I cannot understand why any individual or corporation should claim more than \$1,000 of benefits in a single year out of the pockets of the taxpayers of the Nation. The great insurance companies, trust companies and great corporate interests do not need these farm benefits in order to carry on their farms.

We are in a great war. It will strain to the utmost the financial resources of this country. We should save every dollar that can be saved for our national defense program, and instead of these great tracts of land remaining vacant, farm tenants and sharecroppers should be encouraged to go back on the farms and help produce food necessary for our armed forces and to feed this Nation, as well as to help our Allies in this great war effort.

Much has been said in debate for and against the proposal of parity prices to the farmers of the Nation. I favor parity prices. Webster defines the word parity as equality—equivalent to position. The farmers of the country are placed at a disadvantage. As a rule, the prices for their farm commodities are fixed by those who buy them. On the other hand, the things that they must buy for their farms and their families are fixed by those from whom they must buy. That places the farmer more or less at the mercy of the other groups. In view of the profits being made in industry and the good salaries and wages made by those who are engaged in industry, the farmers should have sufficient prices for their products as will enable them to receive fair compensation for the services rendered by them and their families and receive a fair return on their invested capital and, therefore, it seems to me only a matter of justice to place them as far as reasonably can be done on an equality with industry, labor, and commerce. In view of the fact that millions of able-bodied young men will be taken from the farms for service in our armed forces and the further fact of the higher wages paid in industry and the scarcity of labor, the farmers of the Nation will carry a heavy load during the period of this great war.

No one must underestimate the great contribution the farmers of our Nation must make to the winning of the war. We should, therefore, encourage and aid the farmers of our country to produce to the fullest capacity of their farms. We could do no less than see to it that they are given justice and equality. Excepting those who go forth to battle on land, sea, and in the air, there is no group in the land that will carry a heavier burden than the American farmer.

The administration insists that the prices of farm commodities be held at approximately 85 percent of parity and in order to beat down the market and hold farm commodity prices at about 85 percent of parity, the administration urges that it have the right to dispose of the hundreds of millions of bushels of wheat and corn and the millions of bales of cotton and some other commodities owned or controlled by the Government through loans at less than parity. This indeed is a strange policy. In the first place, it is unfair to the farmers and, in the second place, the administration pro-

poses to make up the difference to the farmers in parity payments out of the pockets of the taxpayers of this Nation. In other words, they say to the farmers we are going to hold your prices down to 85 percent of parity and then we are going to take money out of the Treasury to make up the difference to 100 percent of parity. Why not permit the farmers to receive parity prices in the open market and let those who consume these products pay the farmers parity prices?

The administration program contemplates that these parity-payment checks will be sent out to the farmers along in October each election year. This policy is unsound. Its purpose undoubtedly is to keep the farmers of the country under the control of the New Deal by parity payments out of the pockets of the people.

Mr. PACE. Mr. Chairman, of course there are millions of farmers who are putting their seed into the ground now, with the understanding that present limitations will continue in force. I don't know what your wishes are about legislating at this time, when a man has already made his contract and planted his crop. As I understand, the amendment offered by the gentleman from Kansas [Mr. HOPE] takes this situation into consideration. The other amendments do not, and I hope they will be defeated.

Mr. KEEFE. Mr. Chairman, I call attention to this fact. It seems to me that we are getting far away from the program on which we are seeking to legislate. The question is whether or not we are going to legislate to conserve the soil, or are we going to legislate to provide for pure farm relief. We should remember that this entire program is one designed to provide for the conservation of soil resources of this country. We should be exceedingly careful that we do not adopt an amendment in the name of farm relief which will destroy the entire soil-conservation program of the United States.

Mr. RUSSELL. Mr. Chairman, I rise in support of the amendments, preferably the Hope amendment. I believe such an amendment, if it passes, will send back to the farm a number of farmer tenants who were excellent tenants, who have been forced off the farm by the farm program, first into the W. P. A., and then next onto direct relief. I think it is high time Congress takes some steps to give that class of citizens an opportunity to go back where they want to go.

Mr. GILCHRIST. Mr. Chairman, when I left home the time next preceding this December, one of the best tenants in our country came to me and said, "Fred, please arrange it so that I can take part in this farm program. I live on a multiple farm, and I cannot get into it, because the landlord says to me, 'You cannot go into it because I am not able to proceed within it myself.'" Now, this tenant is one of the best farmers in our country. Multiple owners of land cannot and would not rent their land if a reasonable amount were not to be allowed to them under the farm-conservation program. The amendment is opposed to the interest of the tenants and poorer classes of farmers. Another

thing is that producers may be held down to a limitation of the 85 percent on their products. The landlord will not be able to get more than 85 percent, and where will he get the other 15 percent if this amendment carries? We should defeat the proposal in the interest of economy and fair dealing.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, we can conserve soil by having more people on the farms, who will personally look after the soil, than by having some gentleman draw \$17,000 a year and never live in the State.

I am for the Johnson amendment to the bill, as amended by the amendment offered by the gentleman from Kansas [Mr. HOPE], which I think will take care of the situation.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. JOHNSON of Oklahoma. May I say to the gentleman that I was called from the House floor a few moments ago and I did not hear the amendment offered by the gentleman from Kansas, which, I understand, would modify the amendment offered by me. I have been advised, however, that the amendment offered by the gentleman from Kansas is exactly the same bill that was passed by the House some 2 years ago. If that is correct, the House having heretofore accepted it, I would, of course, be reluctant to oppose it, although I must confess that I am not quite clear as to what the effect of the modification proposed would be.

Mr. O'CONNOR. Then the gentleman is for his amendment as amended by the gentleman from Kansas [Mr. HOPE]?

Mr. JOHNSON of Oklahoma. Possibly so. I would want to at least read the amendment before being certain. I have a very high regard for the ability and sincerity of the gentleman from Kansas who offered the amendment.

Mr. O'CONNOR. I ask all Members to vote for the amendment as amended.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri, [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Chairman, I agree with the gentleman from Wisconsin [Mr. KEEFE] when he said that the purpose and end of this amendment will be the destruction of our soil-conservation program. It is the entering wedge. I think we ought to be frank about the matter, just like the gentleman from Wisconsin [Mr. MURRAY], who admits that he is against certain features of the soil-conservation program, and let the farmers of our country know that we are supporting amendments here today that mark the beginning of an effort to destroy and wreck a program that has brought a degree of prosperity and stability to the American farmer.

The amendments of the gentleman from Oklahoma [Mr. JOHNSON] and the gentleman from South Dakota [Mr. CASE] grossly discriminate against the large farmers of our country who are cooperating wholeheartedly with our soil-conservation program. The program was

made for all cooperators and there is no reason on earth why the man who farms 500 or 5,000 acres should each receive the same proportionate payment as the man who farms 50 acres. I warn that if these amendments are adopted and our large landowners are discriminated against, that they will be forced out of the program, huge surpluses will pile up, and the whole program will come to naught. It may be popular in some quarters to legislate against the large farmer but it is unjust and contrary to the spirit of the legislation that gave us this splendid program. I sincerely hope these amendments will be voted down. This is, indeed, legislation upon an appropriation bill and the subject matter of these amendments should be referred to the Agricultural Committee for study and action.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, the pending amendments will really defeat their purpose. They are amendments that have been offered and defeated from time to time during the past 4 years. A large farm is nothing more nor less than an aggregation of small farms. No large landowner is going into the program and his tenants are not going in unless the landlord is permitted to share in the benefits of the program. Parity and soil-conservation payments are nothing more nor less than the tariff in reverse. You might as well say that no manufacturer will be permitted to benefit by the protective tariff if the tariff duties amount to more than \$1,000 as to say that no landowner, no matter how large his holdings may be, is going to be permitted to profit by this program. Let us stand by the program. Let us be fair to all farmers, large and small. If we want to wreck the program, just arrange it so that a majority of the acres of land will not go into the program, and then no landlord and no tenant and no sharecropper will get the benefit of it. Unless landowners generally cooperate, the program will fail. In cotton, landowners can usually cultivate from 25 to 45 percent of their cleared acreage. Large landowners will not cooperate if they do not receive any payments for the land that they do not cultivate to cotton. The owners sign for the tenants. If the landowners do not cooperate the tenants and the sharecroppers will receive no benefits.

The gentleman from Wisconsin [Mr. KEEFE] is in error when he states the appropriation is not applicable for the year 1942. The bill provides, and I quote:

During the period January 1, 1941, to December 31, 1942, inclusive.

It applies to the year 1942.

I extend to say that I have consistently opposed the limitation of payments in the soil-conservation program and in parity payments. Under the Soil Conservation and Domestic Allotment Act there is a limitation of \$10,000 on soil conservation payments. That limitation is in the following language:

Beginning with the calendar year 1939, no total payment for any year to any person under such subsection (b) shall exceed \$10,000.

The net result of this limitation of \$10,000 was the shifting of total payments in States like Minnesota, Iowa, and generally the North Central States—from the North Central States to other States. The large payments did not go in great numbers to the South or the Cotton Belt; they went to the insurance companies who held the title to lands in many of the North Central States. Some of them went to the South, but my understanding is that a vast majority of them went to other parts of the country.

The \$10,000 limitation was effective for the first time in 1939. There was a shifting of around \$4,000,000 from the North Central States from the appropriation of \$445,000,000 for soil conservation in 1938. If the limitation had applied to parities as well as to soil conservation the program would have been practically destroyed because the large holders of land would not have gone into the program if they could not have cultivated their land. If they stay out of the program, the program will be destroyed.

The limitation amendments are not new; they have been offered to practically every appropriation for soil conservation or for parity in recent years. As often as they have been proposed they have been defeated. Congress wants to be fair with all land owners, large and small. The formula for parities and soil conservation was worked out in the Soil Conservation and Domestic Allotment Act. The original limitation of \$10,000 for soil conservation occurs in that act as amended. Any change in the limitation should be carefully considered by the Committee on Agriculture and by the House. A limitation on the appropriation bill after the program is under way and after the cotton growers voted for it in December 1941 would not only be unfair but it would disrupt the program for the current year.

Much has been said about the large farms and the small farms. Much has been said about the tractor farmer. With the shortage of farm labor in the harvesting of crops I believe the tractor farm situation will solve itself. The laborers will get most of the proceeds of the crops for harvesting. Tractor farming will become less and less profitable.

After all, large farms are nothing more nor less than an aggregation of small farms. If the large landowners are not permitted to participate in the soil-conservation payments, they will not join the program. This means that the great body of tenants and sharecroppers, especially in the Cotton Belt, will be deprived of the benefits of the program.

There are many reasons why the limitation should be defeated. Any limitation that is adopted should certainly not apply where there are tenants and sharecroppers. The vast majority of the small farmers are tenants and sharecroppers. Their interest and the interest of their landlords are tied together. Both the landlord and tenant are entitled to fair treatment. If the landlord prospers the tenant prospers; if the tenant fails, the landlord fails.

Again, many of the sponsors of the limitations are really opponents of the Soil Conservation and Domestic Allot-

ment Act. The gentleman from Minnesota [Mr. ANDRESEN], in opposing parities, with all deference, manifests a selfish attitude. He is interested in the protection of the dairy farmers; he is opposed to protecting the cotton farmers and the corn growers. Conditions in those belts are different; he is inconsistent. Advocating benefits for his constituents he opposes benefits for others. How can he as the representative of the dairying interests ask for protection for the dairying interests without according protection to the cotton and corn interests?

No State in the Union has been benefited more generally by the soil-conservation program than Minnesota. Let the record speak. In 1940 the estimated gross soil-conservation payments in Mississippi were \$16,928,338. The payments in Minnesota for the same year were \$20,063,356; in Kansas for the same year the payments were \$19,313,856.

I submit that the gentlemen from Minnesota and Kansas are selfish. Their States have benefited more from the Soil Conservation and Domestic Allotment Act than a great majority of the other States of the Union.

Again, the soil conservation and parity payments constitute the reverse of the tariff. The dairy farmers of Minnesota enjoy a tariff of 14 cents a pound on their butter. The gentleman from Kansas [Mr. REES] and the gentleman from Minnesota [Mr. ANDRESEN] advocate a protective tariff. It would be just as sound to stipulate that not more than \$500 in tariff benefits would accrue to any manufacturer as it is to say that not more than the amount of the limitation should be paid to any landowner.

The dairy farmers of Minnesota not only get soil-conservation benefits, but they get the benefit of the tariff. Loans are made on their butter; they are the beneficiaries of the Surplus Commodities appropriations.

Again, the aggregate of the individuals receiving payments in excess of \$10,000 is very small. There were none under the conservation program in 1940. There were only 12 under the parity program in 1940. There were in 1940 only 448 individuals receiving in excess of \$5,000 under the soil-conservation program in the entire United States.

If the soil-conservation program is fair and just for the small owner, it is fair and just for the large owner. Less than seven one-thousandths of all of the growers in the United States received in excess of \$5,000 in 1940.

As I have stated, if the large plantation is denied the benefits, the plantation will not join the program. The owner signs up for the plantation.

Again, under existing law all payments under \$200 must be increased according to the formula in the existing law. If Congress appropriates \$450,000,000 for soil-conservation payments, approximately \$50,000,000 in the first instance, increases the half of the payment that would otherwise go to sharecroppers, tenants, and owners under \$200.

Under the existing program, which the gentleman from Minnesota opposes, 5 acres is allotted to every sharecropper. The sharecropper is protected. Under

existing law if the landlord changes from tenants to wages he is denied any benefits.

More than 50 percent of all payments go to tenants and sharecroppers. We are encouraging them to become landowners under existing law.

There are many misconceptions with respect to the amounts of the payments. I am familiar with cotton. The aggregate of the payments to the tenants and sharecroppers exceeds the aggregate of the payments to the landlords. The landlords must furnish the lands; they pay taxes on them; they are permitted to cultivate but a small part of their lands to cotton. Their tenants get more benefits because of the reduced cultivation than the landlords. The Agricultural Adjustment and Soil Conservation Act is fair to the tenants. Before there is any division among the large landowners there is a distribution for all small landowners, tenants, and sharecroppers where their payments are under \$200. The only way for a tenant or a sharecropper to get the benefits of the program is for the landowner to join the program. If the landowner refuses to join, the tenant will receive no benefits.

The amendment of the gentleman from Oklahoma [Mr. JOHNSON] would limit the soil-conservation payments to \$1,000. He has stated it will save \$50,000,000. With deference, he is in error. There will be no amount saved to the Government. The total appropriation will be divided among all farmers. As I have stated, under the formula that obtains, from \$30,000,000 to \$50,000,000 is divided among those who receive small payments in the first instance to increase their payments.

Again, the gentleman from Oklahoma is in error when he states that the amendment which he proposes is the amendment advocated by the former chairman of the Committee on Agriculture, Mr. JONES. Mr. JONES did advocate a limitation of payments; he insisted, however, that the limitation should be reasonable, and in H. R. 3800, introduced by him and passed by the House, there was a limitation of \$5,000. This limitation did not apply where there were tenants and sharecroppers. The difference between the amendment proposed by the gentleman from Oklahoma and the limitation advocated by Chairman MARVIN JONES is that there is no limitation in the amendment of the gentleman from Oklahoma. Mr. JONES insisted that sharecroppers and renters could only participate in the program if their landlords cooperated. By reference to the said bill, H. R. 3800, Seventy-sixth Congress, third session, it will be seen that Mr. JONES advocated a limitation, and I may say that the limitation is the identical language proposed in the amendment of the gentleman from Kansas [Mr. HOPE].

While I oppose the limitation, I favor the Hope amendment. It improves the Johnson bill; it does not perfect it. The Hope amendment will do two things: It will eliminate the total payment of \$1,000 proposed by the gentleman from Oklahoma; at the same time, where there are tenants and sharecroppers, it will elim-

inate the present limit of \$10,000 in the Soil Conservation and Adjustment Act.

The gentleman's amendment is aimed at those who operate tractor farms and those who use day labor. I think his limitation is too small. The amount should be raised; the limitation should be increased. I repeat that it is essential that all growers join in the program if there is to be a reduction. Large owners as well as small owners must cooperate; the large owners will not cooperate unless they receive fair treatment.

The large owners have accepted the limitation of \$10,000 because there was no limitation on the parity payments. It is unfair to reduce further the limitation of soil conservation; there should be no discrimination. The rich and the poor should be treated alike. The benefits are paid for cooperation. They are paid by the acre; the more acres the greater the cooperation.

The cooperation of all growers is essential to the success of the program. This cooperation can only be obtained by all receiving fair and equal treatment. [Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, most of the pleas that are noticeable here have been made on behalf of the tenants. I just want to ask the question, How many people who are tenant farmers receive more than \$1,000? I think in answering that question you will find which position to take with reference to this.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, without regard to the merits or demerits of the Johnson amendment, it seems to me it would be very unwise to undertake to change the rules in the middle of the game.

I hold in my hand a copy of the 1942 A. A. A. Handbook for the State of Georgia, published in October 1941, effective December 1, 1941. This handbook outlines the practices for which compensation will be made in the way of soil-conservation benefits. For 3½ months, at least, the farmers of my State have been engaged in preparing for practices of this sort for the purpose of earning these benefits that are to be paid by the money in this bill. This bill is not, as the gentleman from Wisconsin [Mr. KEEFE] said, applicable only to next year. It provides benefits for payments on the 1942 crops.

The farmers voted on the question of quotas on cotton in December. They voted on that question in the light of the provisions of the law with reference to soil-conservation benefits. I say that perhaps it may be true the law ought to be changed, but we ought not to change it in the middle of this year's program. We ought to await action by the Committee on Agriculture, by their submitting to the House proper legislation for that purpose. If the Johnson amendment should be adopted there certainly should be attached to it the amendment offered by the gentleman from Kansas [Mr. HOPE]. If you do not adopt the

amendment offered by the gentleman from Kansas, you will work irreparable injury and damage to many thousands of farm tenants in this country who cannot receive any benefits under the operation of this program, because if their landlords refuse to comply, because they have been eliminated from the benefits of the program, the tenants also will not receive any benefits. If you adopt the amendment offered by the gentleman from Kansas [Mr. HOPE], it will be to the interest of the large landlords to deal fairly with their tenants and not to supplant them with hired labor.

So I urge you that if you have a purpose to change the provisions of existing law which already fix a limitation on maximum payments which may be had, by the adoption of the Johnson amendment, you also vote to adopt the Hope amendment which would certainly be for the protection of the interests of the most needy and deserving class of farmers in the United States, the tenant farmers. Sixty-five percent of the farmers of my district are tenant farmers, and I am speaking for them more than I am speaking for the farmer who is able to earn benefits of more than \$1,000. [Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. For the purpose of clarifying the parliamentary situation, now that the date has expired, it is my understanding that the first vote will come on the Hope amendment to the Johnson amendment containing the \$1,000 limitation.

The CHAIRMAN. The gentleman is correct.

Mr. DIRKSEN. Thereafter the vote recurs upon the Rees amendment with the \$500 limitation.

The CHAIRMAN. The Rees amendment is a substitute for the Johnson amendment.

Mr. DIRKSEN. Thereafter the vote recurs upon the Johnson amendment as, if, and when perfected.

The CHAIRMAN. The gentleman is correct.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. As I understand it, if the Chair please, the gentleman from Oklahoma stated that he was willing to accept the amendment offered by the gentleman from Kansas; and I am wondering if that acceptance has been made a part of the record.

The CHAIRMAN. The committee has to pass upon it.

Mr. JOHNSON of Oklahoma. That is correct, Mr. Chairman.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the Hope amendment be again reported for information.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the Johnson amendment as modified by the Hope amendment be reported.

The CHAIRMAN. Without objection, the Clerk will again read the Johnson

amendment and the Hope amendment to the Johnson amendment.

There was no objection.

The Clerk again read the Johnson amendment and the Hope amendment.

The CHAIRMAN. The question is on the Hope amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. The Rees amendment has not been reported as yet.

The CHAIRMAN. The Rees amendment is a substitute amendment.

The question is on the Hope amendment.

The question was taken; and on a decision (demanded by Mr. Hook) there were—ayes 147, noes 17.

So the amendment was agreed to.

The CHAIRMAN. The question recurs on the substitute offered by the gentleman from Kansas [Mr. REES].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent that the Rees amendment be reported.

The CHAIRMAN. Without objection, the Clerk will again report the Rees amendment.

There was no objection.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'CONNOR. Would it not follow logically, inasmuch as the Hope amendment amended the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON], that the Johnson amendment should now be submitted to the committee before the Rees amendment is voted upon?

The CHAIRMAN. The substitute has not been disposed of yet. Under parliamentary procedure it must be acted on first.

Mr. O'CONNOR. But the substitute is only as to the Johnson amendment. The Johnson amendment has already been amended by the Hope amendment.

The CHAIRMAN. It is a substitute for the Johnson amendment, as amended.

The question is on the substitute offered by the gentleman from Kansas for the Johnson amendment, as amended.

The question was taken and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 54, noes 128.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Oklahoma, as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there any further amendments to the paragraph? Does the gentleman from Texas [Mr. GOSSETT] want to offer an amendment to this paragraph? Does the gentleman from Wisconsin [Mr. MURRAY] want to offer an amendment to this paragraph? If not, the Clerk will read.

The Clerk read as follows:

PARITY PAYMENTS

To enable the Secretary of Agriculture to make parity payments to producers of wheat,

cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, there are hereby reappropriated the unobligated balances of the appropriations made under this head by the Department of Agriculture Appropriation Acts for the fiscal years 1941 and 1942, to remain available until June 30, 1945, and the Secretary is authorized and directed to make such additional commitments or incur such additional obligations as may be necessary in order to provide for full parity payments: *Provided*, That of the amounts hereby made available, not to exceed \$5,000,000 may be expended for administrative expenses in the District of Columbia (including personal services) and in the several States (exclusive of expenses of county and local committees), including such part of the total expenses of making acreage allotments, establishing normal yields, checking performance, and related activities in connection with wheat, cotton, corn, rice, and tobacco under the authorized farm program as the Secretary finds necessary to supplement the amount provided for in section 392 of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That such payments with respect to any such commodity shall be made with respect to a farm in full amount only in the event that the acreage planted to the commodity for harvest on the farm in 1943 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program, and, if such allotment has been exceeded, the parity payment with respect to the commodity shall be reduced by not more than 10 percent for each 1 percent, or fraction thereof, by which the acreage planted to the commodity is in excess of such allotment. The Secretary may also provide by regulations for similar deductions for planting in excess of the acreage allotment for the commodity on other farms or for planting in excess of the acreage allotment or limit for any other commodity for which allotments or limits are established under the agricultural conservation program on the same or any other farm.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 77, line 5, after the word "farm", strike out the period, insert a colon and a proviso as follows: "*Provided further*, That parity payments, under the authority of this paragraph, shall not exceed such amount as is necessary to equal parity when added to the market price and the payment made or to be made for conservation and use of agricultural land resources under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended; and the provisions of the Agricultural Adjustment Act of 1938 as amended; *Provided further*, That the total expenditures made and the contracts entered into in pursuance of this paragraph shall not exceed in all \$212,000,000.

Mr. TARVER. Mr. Chairman, I submit a point of order against the amendment proposed by the gentleman from New York [Mr. TABER].

The CHAIRMAN. The gentleman will state his point of order.

Mr. TARVER. Mr. Chairman, the substantive law authorizing the making of parity payments is set out in section 303 of the Agricultural Adjustment Act of 1938. That section provides:

If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco on their normal production of such commodities in

amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law.

The amendment of the gentleman from New York [Mr. TABER] proposes to make a limitation in this appropriation bill which, if adopted, would be in direct variance with the provision of the section of the basic law which I have read. He proposes instead of not counting other payments as part of the market price as is provided in the basic law, to provide that the soil-conservation benefit payments shall be included in determining whether or not a farmer is receiving parity for his products.

It may very well be insisted, and probably will be insisted, by the gentleman from New York, that the language which he proposes to strike from the bill and for which he proposes to substitute the provision sponsored by him is also legislative in character. I admit that is true. There has been adopted by the House a rule which has waived points of order against the legislative provisions contained in the bill. I also admit that any amendment to this language which might be relevant thereto would be in order notwithstanding it might constitute legislation and notwithstanding it is not, of course, included in the bill; but a provision such as contained in the gentleman's amendment which proposes to add soil-conservation payments to the amount of the market price received by a farmer in determining whether or not that farmer has received parity for his product is not germane to the proposal contained in the bill as to which points of order have been waived by the adoption of the rule in question.

Since this proposal in the bill deals only with the matter of the basic loan rate as a matter aside from market price which shall be considered in determining whether or not parity has been received by a farmer for his product or by what percentage the price of the farmer's products have not reached parity, the provision offered by the gentleman from New York has no relationship whatever, as I see it, to the provision which is contained in the bill, and since it is clearly legislative in character it seems to me that the point of order which I have submitted against it should be sustained.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. TABER. Briefly, Mr. Chairman.

The bill, on page 75, provides that the Secretary is authorized and directed to make such additional commitments or incur such additional obligations as may be necessary in order to provide for full parity payments.

That is legislation. It is brought in order under the rule. The language that I have submitted is clearly germane to that provision because it provides a method. It is purely a limitation to the payments that shall be made for parity

under the authority of this paragraph. For this reason it is clearly germane and it is clearly in order.

It would be in order if there was no legislation in the paragraph because it is a pure limitation.

Mr. CASE of South Dakota. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will hear the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Chairman, may I make the observation that if the proposal is clearly a limitation, even though it embraces some legislation, it is in order under the Holman rule.

The CHAIRMAN. The Chair would like to ask the gentleman from New York [Mr. TABER] if there are any funds other than those appropriated in this bill to be used for parity payments?

Mr. TABER. None.

The CHAIRMAN. Just the funds in this bill?

Mr. TABER. That is correct.

The CHAIRMAN. The amendment the gentleman is offering is to limit the funds offered in this bill?

Mr. TABER. That is my intention. I think perhaps I ought to insert after the word "payments" in the third line the words "under the authority of this paragraph." With that in, it would clearly be in order.

The CHAIRMAN. Does the gentleman from New York [Mr. TABER] ask to modify his amendment?

Mr. TABER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment by inserting after the word "payments" "under the authority of this paragraph." Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. TABER] has offered an amendment, on page 77, line 5, undertaking to provide further limitations on the payment and the administration of parity payments, to which the gentleman from Georgia has made a point of order.

It seems to the Chair that the language of the amendment offered by the gentleman from New York constitutes a limitation upon the funds appropriated by this paragraph or proposed to be appropriated by this paragraph and does not constitute legislation.

The Chair therefore overrules the point of order.

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment as modified will be reported.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER, as modified: On page 77, line 5, after "farm", strike out the period and insert a colon and a proviso, as follows: "Provided further, That parity payments under the authority of this paragraph shall not exceed such amount as is necessary to equal parity when added to the market price, and the payment made or to be made for conservation and use of agricultural land resources under sections 7 to

17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended, and the provisions of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That the total expenditures made and the contracts entered into in pursuance of this paragraph shall not exceed in all \$212,000,000."

Mr. TABER. Mr. Chairman, in the first place, I limit the total amount of parity payments to \$212,000,000, which is the amount carried in the bill which was passed last year. Under the authority of this bill the Secretary of Agriculture would be entitled to enter into contracts without limit as to the amount of expenditures. These expenditures might very readily run to between \$350,000,000 and \$450,000,000 when you come to consider the parity price fixed as it is today and the market price as it stands today.

I do not feel that in times like these, when it is so necessary that we make some effort to conserve dollars for our national defense effort, we should be passing a bill which would increase the amount of money that might be disbursed as parity payments.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Montana.

Mr. O'CONNOR. I may be dumb about this—and I suppose I am—but under the provisions of the bill would not the Secretary of Agriculture be restricted to what would be parity under the then conditions?

Mr. TABER. He would be; and he will be under what I propose, but under the present conditions the amount might very readily run to from \$350,000,000 to \$450,000,000. I do not believe it is fair, in view of the present prices of farm commodities, for the farmers to come here and ask to have the amount of money that is made available increased above what it is in the current act.

Mr. O'CONNOR. My point is that if in excess of \$250,000,000 is required to make up parity, should they not have the right to use that amount, if the farmer is to get parity?

Mr. TABER. If you feel that we should take out every dollar there is in the Treasury and use it to hand out payments and benefits to the farmers regardless of the financial structure of America, if you want to commit financial suicide, that would be the way to proceed.

Mr. O'CONNOR. That is not the point. My point is that if we promise the farmer parity, let us give him parity.

Mr. TABER. I have never promised the farmer parity.

Mr. O'CONNOR. I say if we do, let us keep our promise.

Mr. TABER. If you are going to go away out of sight and hand out everything in sight without having any consideration for the financial condition of the country, if you are going to commit financial suicide and destroy the farmer's structure entirely, if you are that much of an enemy of the farmer you want to do just that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish the gentleman from New York [Mr. TABER] would ask the gentleman from Montana [Mr. O'CONNOR] if he feels that it is a constructive policy to have the price-administration agency of the Government set a ceiling beyond which the price cannot go, and then come in here and ask for a removal or limitation of the parity restrictions so that you have to pay out three or four or five hundred million dollars in order to reach parity.

Mr. O'CONNOR. I will answer the gentleman. The great difficulty about the Price Administrator is that he can fix and he will fix the prices of only a few commodities, and that does not touch all the commodities the farmers are required to buy, and hence parity must be determined as we go along.

Mr. TABER. I cannot yield any further. The gentleman has answered. I must have a minute or two to discuss this amendment.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. TABER. If I yield, I shall have to have more time.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. I yield to the gentleman from Georgia.

Mr. PACE. How does the gentleman justify his statement that on the basis of the present prices the payments could possibly go to \$400,000,000 or \$500,000,000?

Mr. TABER. What is the present market price for cotton?

Mr. PACE. Cotton, very happily, is selling at parity, and I hope it will not need one penny of this fund.

Mr. TABER. Grand. Wheat is 23 or 24 cents below parity, with a crop of 700,000,000 bushels in view. The total for wheat would run approximately \$190,000,000.

Mr. PACE. Not that much.

Mr. TABER. Yes. Corn is about 17 cents below parity, with a crop in sight, in view of what they will probably plant, of approximately 750,000,000 bushels.

Mr. PACE. The gentleman understands that parity on corn is confined to the commercial corn area?

Mr. TABER. I understand so.

I understood that cotton is now 2 cents below parity, but I may be wrong. According to a circular I received from Georgia the other day, cotton is 2 cents below what they call parity. I cannot tell the gentleman exactly, but I figured on that circular. That would make about \$120,000,000 for cotton, about \$100,000,000 for corn, and \$190,000,000 for wheat, or a total of over \$400,000,000.

Mr. PACE. If the gentleman will permit one further question. If the gentleman will help us to prevent the possibility of cotton being dumped on the market, I do not think the gentleman need have any apprehension about cotton not going to parity.

Mr. TABER. You already have the authority to prevent cotton being dumped on the market, as I am told.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman for one question.

Mr. O'CONNOR. Is it not a fact under the provisions of this bill that when corn and wheat and the other commodities covered in the law reach parity nothing is paid under the operations of this bill?

Mr. TABER. Absolutely.

I do not yield any further; I have your question. It is perfectly apparent that this amount can go way out of sight, and all I am asking is that you limit it to what has been appropriated before.

Now, on the other question, I call as a witness Mr. Evans, the head of the A. A. A. institution that has charge of these parity payments. I read:

Mr. TARVER. In other words, according to this language, you want to charge the farmer, in deciding whether he is getting parity or not, with the amount of his soil-conservation payment.

Mr. EVANS. Yes, sir.

Now, it is perfectly evident that the Department of Agriculture itself believes that payments should be made to the farmer only when you come to consider the soil-conservation payments. These soil-conservation payments at the present time or from last accounts called for 10½ cents for wheat, 8 cents for corn, and 1¼ cents per pound on cotton.

Now, why should we make these payments to the farmer at a time when he is more prosperous than he has been in 20 years and add the conservation payments before we figure the parity proposition? Why should we give them the conservation payments on top of parity? It means from 10 to 12 percent above parity if you do that. You gave him soil-conservation payments when agriculture was way down. We ought not to add the conservation payments on top of the parity.

I did not move to reduce the \$450,000,000. I am not asking the farmers to take less for parity payments than was provided this year.

Mr. Chairman, unless those who are representing the farmer are prepared to do something fair and to be fair with the country and with the Treasury of the United States, you are going to wreck the farmers' structure entirely. You are not in favor of the farmer unless you put reasonable restrictions on this operation. I hope this amendment will be adopted.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment and, Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, I voted against the Agricultural Adjustment Act in 1938, upon its passage through this House. I thought another and an entirely different method of financing the farm program should have been adopted. However, a majority of the membership of the House and of the Congress enacted this law and they provided, in section 303, for the making of parity payments. They not only did not provide for the calculation of soil-conservation

benefits in connection with the making of those payments in determining what should be regarded as the reception of parity for the farmers' product, but they expressly provided that such payments—having reference to parity payments—shall be in addition to and not in substitution for any other payments authorized by law. I think it is the duty of the Congress, so long as it permits this legislation to remain on the statute books, and so long as it holds out to the farmers of the country through the medium of this legislation the hope of attaining parity through this and other means, to observe the provisions of the law which they themselves formulated, and not at a time when some crops are to parity and others are approaching parity undertake to take away from the farmer benefits that he would otherwise have secured under the provisions of this act by providing that something else which it was especially provided in the law should not be counted shall be counted to determine whether or not he is receiving parity for his products.

The farmer, if he is receiving a bounty—and I do not think that under the facts he is—is not receiving today the bounty which is being accorded to industry through the medium of the tariff.

Reference is made in this committee's report, although it is not carried in the pending bill, to "the section 32 money, the 30 percent of tariff receipts which are made available by permanent appropriation for the disposal of surplus agricultural commodities. It amounts upon the basis of last year's tariff receipts to \$132,000,000. This means that during the last year \$440,000,000 was collected as tariff. A bounty to whom? Not a bounty to agriculture, but a bounty to the industrial interests of this country. If you enact the language of this appropriation as it has been written by the subcommittee and call this a subsidy to agriculture, which I deny it is, the amount of agricultural subsidy will still be far less than the amount of subsidy which during the last year you provided through the medium of the tariff for American industry, and which the farmers of our country helped to pay.

The gentleman from New York says that if we adopt this provision without any limitation as to the amount which may be made available, it may be possible that there will have to be expended \$450,000,000. The evidence before our subcommittee did not disclose any such figure. On the contrary, witnesses from the Department who appeared before our subcommittee evidenced the opinion it might be possible that notwithstanding the insertion of this provision in the bill, no parity payments whatever for any product might have to be made. Certainly it is reasonable to assume, if any payments do have to be made to any agricultural product—or to the producers of that product—under the provisions of this bill, if you adhere to the form in which the subcommittee has written these provisions, the amount of the payments will be far less, not only than \$450,000,000, but less than \$212,000,000, the limitation which the gentleman from New York desires to write into the bill.

May I say to the gentleman that so far as I am concerned, if he had offered a separate amendment to limit the amount of parity payments under this provision to \$212,000,000, and to do no more than that, I might have been willing to agree to his amendment to avoid controversy, although I think that the total that he suggests, \$212,000,000, is far more than could possibly be needed for this purpose.

Mr. Chairman, I come from a cotton country. Cotton is already selling above parity. There is not in my judgment a single dollar in this provision for any constituent that I have. This provision is of interest to you gentlemen who represent wheat- and corn-growing sections of the country, and to nobody else. Tobacco is above parity. Other major agricultural products, except corn and wheat, are either at parity or above parity, and speaking in the interest of the producers of products in the corn- and wheat-growing sections of the country, from which I am far removed, I think the time has come when during the period of this emergency those people should have the benefits that Congress promised them in the Agricultural Adjustment Act of 1938, but if you gentlemen who represent wheat and corn districts do not desire to vote in favor of these benefits, that of course is your responsibility, and whatever action you take on this amendment will not affect a constituent of mine in my judgment to the extent of a single penny.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes.

Mr. O'CONNOR. I represent a wheat-growing territory. What I am trying to get at is this. Under the operations of this bill, if wheat or corn shall reach parity, then nothing is paid under the operation of the bill.

Mr. TARVER. Absolutely not.

Mr. O'CONNOR. But if the commodities go below parity and then the \$212,000,000 is not sufficient, are we not deceiving the farmer when we promise him parity and then write a limitation in this bill where we do not give parity?

Mr. TARVER. I think the gentleman under present conditions need not be apprehensive; but if a limitation of \$212,000,000 is placed in the bill, it will provide money which will be amply sufficient to take care of the requirements of corn and wheat as to parity. Our subcommittee did not write such a limitation in the bill because it would create an impression that we were making available \$212,000,000 for this item, when we did not think that much is needed, and I do not believe any member of the committee would object to placing a limitation in the bill, if the gentleman from New York [Mr. TABER] and a majority of the committee desire to do so, except upon the ground that it is unnecessary.

Mr. SMITH of Ohio. What was the amount of those parity payments made last year?

Mr. TARVER. There is a statement that appears in the hearings, and I am sorry that I cannot quote from recollection. It is slightly less than \$212,000,000. Every one else in this country is

above parity, except the farmer. You have even written parity for the employees of the Department of Agriculture into this bill. You make payments of \$3,600,000 for salary promotions in this bill, under the provisions of legislation which you enacted last year. All of these supply bills taken together will provide \$75,000,000 for no other purpose than raising the salaries of Federal employees, and you are doing that as a matter of bringing them up to where they can live decently under the conditions now brought about by the emergency. I am not undertaking to say that you ought not to do that, but I do say that with industry, with Federal employees, with workers in every conceivable field except that of agriculture enjoying far more than parity conditions compared with the years 1909 to 1914, it would be exceedingly unfair at this time to deny parity to the farmer.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Certainly.

Mr. McCORMACK. I want to get clear in my mind whether or not the provision under consideration excludes the conservation payments of about 9 percent in determining what parity is.

Mr. DIRKSEN. I am going to discuss that very thing.

Mr. McCORMACK. I am anxious to find out whether or not that is so. Parity now is 85 percent of the loan and about 9 percent payments under the conservation provision.

Mr. DIRKSEN. I have not worked it out in that way, but let me cite a few figures and I think it will be clear. I have no other purpose than to make entirely clear exactly what the bill does and what the Taber amendment would do. From a money standpoint the bill appropriates the unexpended balances amounting to a couple of million dollars. Then it says:

The Secretary is authorized and directed to make such additional commitments or incur such additional obligations as may be necessary in order to provide for full parity payments—

Whatever that might be. That is the language of the bill. In that language we commit Congress, commit the Government, to the payment of full parity. If it is carried out within the provisions of the bill we can see it at a glance by this assumption: Let us assume that the market price of corn is 74 cents; that the parity price is 85 cents. The difference is 11 cents. To go to full parity, therefore, it would mean that a differential of 11 cents per bushel would have to be paid under the commitment of the bill.

Now, the Taber amendment provides that first you would take the market price and to it you add the soil-conservation payments and then you determine the difference between parity, and then of course you add whatever amount is necessary to bring it to full parity. So it would work out in this way: Assuming the price of corn was 74 cents a bushel and the soil-conservation payment was

9 cents, that would be 83 cents. It would require only 2 cents a bushel payment of parity money to bring it up to full parity, as against 11 cents, as provided in the bill.

Mr. McCORMACK. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McCORMACK. Is my understanding correct that that is the law now, or the procedure at the present time?

Mr. DIRKSEN. I am not so sure that is the law. But there is precedent for it. In fact this provision is now in effect. Let me explain. There is precedent for this reason: Last year we got into the same difficulty. We had the same controversy. When the bill left the House and went to the Senate and then to conference, the President had a meeting with some of the congressional leaders, including members of the committee, and the President was insistent at the time, if I remember correctly—and if I do not remember I hope somebody will correct me—that the soil-conservation payments should be included before you determine how much should be taken out of the parity fund. So what you have here today is a bill providing for the loan price or market price, whichever is higher, plus enough money to bring it up to full parity. The Taber amendment provides the market price, plus the soil-conservation payment, and then whatever is necessary to bring it up to parity.

I wanted the House to be sure of what the bill does and what the Taber amendment does.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'CONNOR. I just want to remind the gentleman of this fact: that the conservation payment has nothing to do at all in figuring what amounts to parity.

Mr. DIRKSEN. I have not gone into that discussion.

Mr. O'CONNOR. Soil-conservation payment is one thing and parity is another thing.

Mr. DIRKSEN. I did not want the House to be confused as to what the bill does and what the Taber amendment does. I think on the assumption of the price, I have determined pretty well, and I believe everybody ought to understand. The Taber amendment takes the market price plus the soil-conservation payment, which in the case of corn would be 9 cents a bushel, plus whatever else is necessary to bring it up to full parity. The bill directs the Secretary of Agriculture to take the loan price or the market price, whichever is higher, and then add to it as much parity money as is necessary to bring it to the parity level.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. Under the language of the bill, the Secretary of Agriculture would be the sole judge of when you reach parity, as far as money is concerned.

Mr. DIRKSEN. His department does the mechanical work of ascertaining the parity level in the case of any basic commodity.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. DIRKSEN. But the Secretary of Agriculture has no discretion to determine parity. Parity is an index which is determined on the basis of many indices. They take them all together to determine what the purchasing power of the farmer, measured in terms of his commodities, will be so as to approximate that level of 1909-14. So he does the mechanical work, but he does not determine parity. Parity is determined by economic conditions.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'CONNOR. In other words, the mechanics are set up for the Secretary to go by. He has no discretion at all in fixing what is parity, but he has to follow the mechanics already set up.

Mr. DIRKSEN. That is true. Do not forget that the basic act provides that we shall pay parity within the limitation of funds provided by Congress. That was the language of the act of 1938.

My whole purpose was to see that there was no confusion as to what the bill does and what the Taber amendment does.

[Here the gavel fell.]

Mr. HARE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am just afraid that the gentleman who preceded me [Mr. DIRKSEN] may have disturbed my mental equilibrium a little, because my understanding of the matter was quite clear up to hearing his analysis of the issue but now, like the old dorky in court, "I am sorter 'fused and 'fuddled." My idea is there has always been a definite distinction between soil-conservation benefits and parity payments. I pointed out a few days ago that soil-conservation payments or benefits are the result of a program inaugurated by the Congress a few years ago designed to assist our country in conserving and taking care of its soil and thereby maintaining its national wealth to that extent, and that the farmers were going to be paid for their labor, for their services, and for their cooperation in the program.

We stated then that agriculture is the basis of our national wealth and that soil fertility is the basis of a successful agriculture. We pointed out further that within the past three centuries we have lost 40 percent of our soil fertility as a result of erosion and that at the same rate for the next two centuries we would be unable to support our own increasing population. Our Government realizing this felt a few years ago that it was a governmental obligation to inaugurate a program to conserve and restore soil fertility for future generations, and without going into detail the farmer was requested to cooperate in the program and the Government would pay him for his efforts and expenses in the matter.

There was no gratuity to be given a farmer for cooperating in the soil-conservation program, he was not going to be paid a bounty, he was not to be paid any particular consideration except to

the extent he cooperated and to the extent to which he assisted in maintaining soil wealth. Just a little later on, the parity payment program was inaugurated on an entirely different basis and upon an entirely different theory. The program was based on the theory that the farmer should receive part of the tariff benefits alleged to be coming to other people of the country—industry and labor—and in order that he might get his pro rata share, it was calculated he should have what was called a parity payment, that is, a payment which would place his purchasing power on a basis with that of those engaged in industry; and for that reason parity was entirely different from soil conservation.

It is elementary to say if you increase the tariff rate on a product, like a pair of shoes or a hat, the result will be an increased price which means increased costs to the farmer, and if you put such a tariff rate on all of the things he has to buy without increasing his purchasing power in any way, he will soon reach the point where he will have to reduce the number of purchases and lower his standard of living. Evidently, those who passed the Parity Payment Act felt that the farmer was being penalized as a result of the tariff and undertook to take part of the revenues collected from the operation of the tariff law and distribute this part among the farmers in such a way as to place his income or purchasing power on the basis or on a parity with the purchasing power of those in industry. That is, he would be able to take the product of his labor at the end of a year and purchase about the same amount of goods in value from industry or those employed in industry would be able to pay him for his products. That is the theory upon which parity payments are made.

As I understand the amendment now offered, it is this: The money, the benefits, or the payments a farmer is to receive for cooperating in the soil-conservation work must first be charged to his parity-payment account before he can participate in the parity-payment program and then if the soil-conservation payment is as much as the difference between the market price and parity price of his crop—cotton, corn, wheat, and so forth—he will then receive no parity and consequently not participate in but will be penalized by our tariff system. You might just as well go ahead and say that you cannot participate in the rise of prices by the raising of the ceiling fixed by the Administrator unless you first deduct from that price the benefits you get from your tariff. You might just as well say to these farmers here who have a tariff on wheat, or a tariff on corn, "Why not deduct the amount of the tariff on your wheat, why not deduct the amount of the tariff on your corn before you can participate in the parity payment?"

The principle is the same and the principle of the tariff is just as foreign to this as the soil-conservation principle is. I believe you could with equal force include in here a proviso that the amount of the tariff on a bushel of wheat, the amount of the tariff on a bushel of corn, should

first be deducted from the parity price before the farmer would be able to participate in the parity payment, whether the tariff on your wheat or corn is effective or not.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. FULMER. As stated by the gentleman a moment ago, soil-conservation payments are made to the farmer because of certain labor, buying cover-crop seed and certain crops being planted, soil-building crops, and denying him the privilege of planting other crops. In other words, the farmer absolutely earns every dollar that is paid to him under this and it never was intended to go as a part of the parity payment.

Mr. HARE. I appreciate the statement of my colleague, who is thoroughly familiar with the law. I tried to make that clear in the beginning, that the farmer is receiving from soil-conservation benefits something for what he does, for what he pays out. As the chairman of the Committee on Agriculture just said, he buys his seed, he buys his extra seed. He cannot produce all of the seed used in his conservation program, he has to purchase some, and the soil-conservation benefit is to reimburse him to that extent and pay him for his labors.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I would like, if possible, to come to an agreement as to time of debate on this paragraph.

I ask unanimous consent that all debate on this paragraph and all amendments thereto close at 4 o'clock. That will give us 65 minutes.

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, how many Members are to be heard in this time and how much time would it give them?

The CHAIRMAN. Thirteen Members have risen. It would give them 5 minutes apiece.

Is there objection to the request of the gentleman from Georgia that all debate on this paragraph and all amendments thereto close at 4 o'clock?

There was no objection.

The CHAIRMAN. The gentleman from North Dakota [Mr. BURDICK] is recognized for 5 minutes.

Mr. BURDICK. Mr. Chairman, the gentleman from Illinois says we should defeat this bill by crippling amendments because Mr. O'Neal and his Farm Bureau Federation demand it. Do not get excited about the Farm Bureau Federation. That organization is much like a bumble bee—it is biggest when first born. In 1922 the Farm Bureau Federation had a membership running into the millions; now the gentleman from Illinois [Mr. DIRKSEN] informs us that there are some 500,000 family memberships. It is a losing organization and it has more members now than it will have when the people find out what kind of an organization it is.

It was originally launched by the sponsors of large interests—the railroads, banks, and insurance companies. It was organized to keep the farmers in line. That is exactly how it worked in North Dakota. It was ushered in with trum-

pets; in the first year, 1921, it had a membership of 40,000 farmers. Today it has not a membership to my knowledge. The big booster outside of the large interests was the county extension system. When farmers in North Dakota joined the organization and attempted to run it, they adopted an outstanding set of principles denouncing the grain gamblers, excessive freight rates, and excessive interest.

I am not speaking from hearsay but from actual knowledge. I was instrumental in writing that program; I was unanimously elected the first president of the North Dakota Farm Bureau Federation, but as soon as any attempt was made to bring the organization down to the grass roots as an actual farmers' organization, we were fought by the very people who instituted it.

We have in North Dakota been friendly to all farm organizations from the days of Kelley's Grange to the present moment. But we think we know an organization when we see one. The Farm Bureau Federation was organized from the top down instead of from the grass roots up building an organization to protect the farmer. An organization built to keep the farmers quiet and make them submit to the unconscionable practices of railroads, insurance companies, and banks is not an organization that can live in North Dakota.

The Farmers Union is a grass-root organization and it has no opposition in North Dakota or in Montana, and in many States from the Canadian border to the Gulf of Mexico it is a strong grass-root organization. This Farmers Union is handled by the farmers themselves and it is not a one-man concern headed by a perpetual O'Neal. The Farmers Union, through its officers and directors, supported by the members, is backing up this present bill.

Every time a farm bill is before this Congress the conservatives rise up on all sides to trim down our enormous and unheard-of expenditures by taking it out on the farmer. I would like nothing better than to be a judge having jurisdiction over the acts of the opponents of this bill. Upon competent proof, such as we have had from the gentleman from Illinois [Mr. DIRKSEN], the gentleman from New York [Mr. TABER], and the gentleman from Virginia [Mr. WOODRUM], I would sentence every last one of them to serve the balance of his life on a farm to dig out an existence there without any outside aid. At the end of that existence, or probably during it, they would come to understand what the average farmer is up against. I am satisfied that nothing else will budge them.

What we mean by parity is that the products of the farmer shall bring a price commensurate with the prices the farmer is required to pay for what he needs and what he must buy.

In the fiscal years 1917-20, when the prices the farmers received for their products were on a basis of comparative parity with prices paid for production and family maintenance, the gross farm income of the United States averaged around \$20,000,000,000 a year and the

cash farm income from crops and livestock and products approximated \$12,500,000,000 annually.

In 1940, when prices received by farmers averaged around 85 percent of prices paid, gross farm income dropped below \$11,000,000,000 and cash farm income from crops and livestock products was \$8,350,000,000, or a shrinkage of nearly 50 percent in gross farm income, and a drop of over \$4,000,000,000 in cash farm income from marketing.

Price parity for the farm—simply a square deal for the farmer on the basis of 1910-14, or on the basis of the last World War—would have made the American farmer an independent and self-supporting American citizen. It would have taken him out of the Federal poorhouse and made him an income-tax payer for support of the Government.

The farmers of the United States are told, "The good will of the consuming public should not be shattered by grasping for a few extra dollars in the name of farmers."

Though the cash farm income has been reduced by \$4,000,000,000 since the last World War, and the gross farm income by nearly one-half, and though acts of Congress signed within the last 90 days guarantee Government support of farm prices and name a price ceiling of 110 percent of parity, a pending bill to stop violation of these acts of Congress is attacked on the grounds of being promoted by selfish interests who shatter the good will of the consuming public by grasping for a few extra dollars in the name of farmers.

In the midst of a war crisis, when the Government demands a new war appropriation of \$32,000,000,000 and is now asking Congress for a third huge tax bill, is it statesmanship in the interest of Government finance to destroy the farm-price parity that would enable 6,000,000 American farmers to become income-tax payers for the support of Government instead of Government wards upon the United States Treasury?

In the past 9 years of below parity prices for farm products, the agricultural program has taken \$6,000,000,000 from the United States Treasury. Had the farmers of the United States received simple parity treatment during this period, 1933-42, and become income-tax payers instead of being kept, this last or present tax bill may not have been needed. A self-supporting American agriculture—such as that which averaged \$12,500,000,000 of cash farm income during the last World War—would give the Nation an income foundation for national defense and for expansion of all income-producing industries.

The total grain production of the United States in 1941—including wheat, corn, oats, barley, rye, flaxseed, soybeans, and grain sorghums—approximates 5,500,000,000 bushels, the record production of a decade. At parity prices, as determined and published by the Secretary of Agriculture, this production may well have added near a billion to farm income and added several millions to the number of income-tax payers for the support of Government.

Let us now take a look at those few extra dollars in the name of the farmers,

and, for that purpose compare the income of the farmers in World War No. 1 with their present income in World War No. 2.

An unweighted average for the 5 fiscal years ending June 30, 1916-20, during and ending the last World War, shows that the American farmer, during that period taken as a whole, received, largely due to the heavy export demand for breadstuffs, about 8 percent above parity prices for what he paid for commodities consumed on the farm for production and family maintenance.

This 108 percent of parity prices for farm products, as compared with the 1910-14 index, was plainly due to the following record volume of farm exports which were a prime factor in winning the World War:

United States agricultural exports by fiscal years	
1916.....	\$1,518,071,450
1917.....	1,968,253,288
1918.....	2,280,465,770
1919.....	4,107,158,753
1920.....	3,466,619,819
Total.....	13,340,569,080
5-year average.....	2,668,117,816

This export volume of American products, averaging \$2,668,117,816 in the 5-year period 1916-20, approximated eight times our farm exports of this second World War to date and were the dominant price factor in the last World War.

Effect of the 1916-20 farm exports in giving agriculture a parity price of 108 percent above the base index was phenomenal in building up the farm wealth and income.

Total value of farm lands and buildings, farm machinery and livestock—see United States Statistical Abstract for 1921—rose from \$40,991,000,000 in 1910—slightly above the 1940 figure—to \$77,921,000,000 in 1920.

Farm land and buildings alone are statistically estimated by the 1941 report of the Department of Agriculture:

Value of farm lands and buildings:	
1920.....	\$66,316,000,000
1940.....	33,642,000,000

The shrinkage in farm wealth since the 108 percent of parity period approximates 50 percent. British orders giving the American farmer a virtual black-out for exports to Europe—except such recent shipments under the lend-lease program—combined with the present plan of the Commodity Credit Corporation, give the farmers of the United States scant hope to escape the Federal poorhouse—unless Congress unbars the door.

The shrinkage of cash farm income from farm marketing, as reported in the last Yearbook of Agriculture, comparing 1917-20 with 1937-40, is here shown by crop years:

1917.....	\$10,648,000,000
1918.....	13,464,000,000
1919.....	14,436,000,000
1920.....	12,553,000,000
1937.....	8,788,000,000
1938.....	7,652,000,000
1939.....	7,858,000,000
1940.....	8,357,000,000

Total cash farm income of the United States for the 4-year period, 1917-20, was \$51,101,000,000. The shrinkage from the closing years of the last World War to

the opening years of the present World War is \$18,446,000,000.

Question. At a time when we are trying to raise \$7,000,000,000 additional by income taxation—is not a parity price for the farmer, a long-promised goal for agricultural recovery, the most promising method in sight for getting the United States Treasury relief from its hole in the red?

The President, in his recent Budget message, estimates the 1942 deficit at \$18,632,000,000, and the 1943 deficit at \$42,441,000,000. Why not permit 6,200,000 farmers to step out of the Federal poorhouse, quit being wards on Federal charity, and become income-earning taxpayers as they wish to be? Note: This is still a democracy—not a totalitarian bureaucracy—or is it?

If this great herd of money savers wants to save the people of the United States some money, why sit here idle in this Congress sniping at a bunch of farmers when the records show they are going out of business at an alarming rate? The gentleman from Michigan [Mr. ENGEL] has repeatedly brought evidence before this House that in the war program there is a waste of money that instead of running into millions of dollars runs into billions. He has proved that in the camp construction activities there has been an average waste of 40 percent. Here we are dealing with billions—not millions. Nothing seems to have been done about this matter. All kinds of unconscionable contracts have been made whereby men without a dime to invest have placed contracts that have netted them millions. When we get an economy streak and start out to save, when we see an election coming and want to exhibit the trophies we have won in this House, we let the swindler in war contracts go and proudly exhibit to the audience that we cut \$789.99 off some appropriation that would have assisted the farmer. When asked why this was done, I presume the answer will be that O'Neal of the Farm Bureau Federation demanded it.

The chairman of the subcommittee, who has reported this bill, is one of the very careful and conservative men in this House, but in being conservative it has not so unbalanced him that he is ready and willing to destroy the backbone of this Republic—the farmers. He has handled this bill not only ably but in a spirit of fairness seldom equalled in this body. I am prepared to sustain him in this bill. He has what little influence I have in this House and my vote.

Mr. GILCHRIST. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Iowa.

Mr. GILCHRIST. Did the gentleman notice the other day that the figures released by the Commerce Department showed that the farmers were only getting about \$8,000,000,000?

Mr. BURDICK. That is right.

Mr. Chairman, I ask unanimous consent to insert in my remarks the tables showing the situation of the farmers 20 years ago and today.

The CHAIRMAN. The gentleman will have to secure that permission in the House.

Mr. BURDICK. Mr. Chairman, these are my own tables.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota [Mr. BURDICK]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I am afraid there are a great many Members who are not familiar with the Soil Conservation Act. If they will look into it I believe they will find that it is probably the greatest act ever passed in favor of the farmers of America. A nation's strength is measured by the strength of its soil. Millions of acres of land in the United States had been going to waste yearly; this situation has existed for years; and the Congress at last woke up to the seriousness of the situation and wrote into the law what is known as the Soil Conservation Act. The purpose of this act is to protect and to conserve the soil of America. The payment made to the farmer has never been considered a part of the price for his farm products. The payments have no connection with parity. It is a separate set-up, its object being to conserve and rebuild the soil, and these payments are made to the farmer to take care of the extra costs in connection with drainage, terracing the land to prevent washing, and to take out of production soil-depleting crops and plant in their place soil-rebuilding crops.

Now, lo and behold, and for the first time since the statute was passed, we are requiring the farmers, if this amendment is passed, to consider his soil-conservation payments in connection with the price he receives for his farm products. The committee that worked out this piece of legislation never contemplated that these payments would be considered in arriving at parity. It was not contemplated by the House. Yet some of these economy-minded Members, who I am afraid do not know anything at all about the soil-conservation program, are here clamoring that these payments be taken out of the prices of farm products. It is not fair, it is not right, and if you do this you will destroy the greatest single program ever enacted on behalf of the farmers of America. When you do that, you destroy the program, and when you destroy the program you destroy the soil of America, and when you destroy the soil of America you destroy America.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it has been said here that the farmers are demanding this parity money. I have received no communication from any farmer in Minnesota or elsewhere demanding it. All that the farmers are asking is for parity prices in the market place. They would rather get parity prices when they haul their commodities to market than to receive a subsidy from the Government. Those who feel that there will not be any parity funds provided in this bill are badly mistaken. The Secretary of Agriculture and the administration will see to it that

farm prices stay below parity so that money can be sent out in the form of parity payments.

The Secretary of Agriculture stated the other day before our committee that if farm prices went to parity in the market the farm program would break down. That is correct. If the farmer gets parity prices in the market, there will be no need for the present farm program; there will be no need for parity payments to be made to the farmers; but the administration will never let farm prices go to parity, because they want to retain regimented control over the farmers of America, and they will retain this control through the sending out of benefit payments. So you may expect that there will be a substantial amount provided as parity payments under the authority given to the Secretary of Agriculture in this legislation.

There are some peculiar and inconsistent things that are taking place. For instance, the administration is selling good milling wheat at a loss of from 15 to 30 cents a bushel. This is Government-owned wheat that it is selling as feed wheat. That may be all right for those who want to buy cheap feed, but while they are selling this Government-owned wheat at a loss they are also collecting a penalty of 49 cents a bushel off the farmer who has excess wheat if he has fed that to the livestock on his own farm. You do not see the administration coming here today asking for the repeal of that 49-cent penalty on excess wheat. No; they still want to have that penalty control over the farmer who may produce a little more wheat so that he can feed the livestock on his own farm. It appears to me that if they are to be consistent they should be here today asking Congress to remove that penalty, which would permit the farmer to feed the wheat that he raises on his farm to his livestock.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman understand the Taber amendment to provide that after adding the market price to the soil-conservation payments they use that as the base and then let the \$212,000,000 be used to fill the gap between the sum of those two and parity?

Mr. AUGUST H. ANDRESEN. That is right.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I do not know much about the farm problem. But I was raised on a farm in Iowa, the youngest of 10 children. It took the efforts of my father and mother and all of us from daylight to dark to keep mortgages off that farm. We did it. We were required to take whatever the other fellow had to offer for what we raised and to pay the other fellow's price for everything we bought. That was the plight of the farmer many years ago and that is his condition today.

I have owned land and farmed it ever since manhood.

When these gentlemen talk about economy, well, we are all for economy. None of us want to go into the Treasury unless it is necessary. But do not take it out of the hide of the one person who stands in the economic structure of this country unprotected and practically alone as far as being able to control the price he gets is concerned.

This bill provides for parity for farm prices. If these prices reach parity, not one dime is paid under the operations of this bill. If we do not see that he gets parity, then we are lying to and deceiving the American people. The Congress of the United States cannot afford to be a party to such a transaction. If these commodities reach parity, not one dime is paid out under the operation of this bill so where can the harm be to leave the bill as is?

I am reminded of a little history that I recall very distinctly. A few years ago when I first became a Member of the House the former chairman of the House Committee on Agriculture, the Honorable Marvin Jones, was discussing the question of parity. Some men on either side of the House had raised the point that it was a bonus, that it was something they were not entitled to get such as a gift. Mr. Jones gave them a little history, and this is it. It came from the lips of Alexander Hamilton, the first Secretary of the Treasury of the United States, and a Republican. He said:

If we pass a tariff law, in order to offset that tariff law we must give compensation to the farmers. We must give them something out of the Treasury.

What else did he say?

Not by way of a bonus, not by way of a subsidy, not by way of a gift, but by way of restitution.

The lawyers in this House know the meaning of the word "restitution"? If I take something out of your pocket, if I take something out of your home, or if I take something away from you that belongs to you, and then give it back to you or give something of equal value back to you in lieu of it, what am I doing? I am making restitution. That is what Alexander Hamilton said we should do.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. SOUTH].

Mr. SOUTH. Mr. Chairman, I am of the opinion that the author of this amendment is neither for parity nor for soil conservation. If that is not a correct statement, I would be glad to have him say so.

This is the beginning of a fight on parity. Mr. Webster says:

Parity is the quality or condition of being equal or equivalent.

I think that is a pretty fair definition as it relates to the question of parity prices for farmers.

I should like to call the attention of the gentleman from New York to this kind of situation. Soil-conservation payments are often made for terracing or contouring. A farmer may have a thousand acres

of land which he would terrace at a cost of \$350, let us say, yet he might not plant enough of a particular crop upon which he could apply for parity to entitle him to more than \$100. May I ask the gentleman if he would be in favor of having the farmer pay the Government the difference? And how his amendment would apply to such a case?

Mr. TABER. No; but every move the farmer makes to build up his farm improves the ability of the farm to stand up; it puts the farm in shape so that it produces more and is worth more.

Mr. SOUTH. I cannot yield further to the gentleman, since my time is so limited.

Mr. TABER. That is enough.

Mr. SOUTH. Paying a fair price to the farmer for what he produces and sells is not going to bankrupt the Government, and it is not going to increase the cost of this great defense program in proportion to what some of the administration leaders are now claiming. I suggest to these leaders that if they would agree to "parity" wages for the men who are working in the factories, and parity prices for our farm products, we would be making some progress toward equality. They are striving to keep wages above parity and are fighting to keep agricultural prices below it. This is neither logical, just, nor economically sound.

It is not the aggregate income of the country that counts so much; what hurts our economy is the lack of parity or equality of income as it is distributed over the different sections of the country and among the different vocations, trades, and so forth.

It has taken many years of honest and painstaking toil and effort to work out this farm program. It is far from perfect now. We have had to fight selfish uninformed and misinformed groups and factions with each advance that has been made.

A fair and equitable price for the farmer's products is just as essential during wartimes as it is when we are at peace. That is all we are asking for here, and all we have ever asked for. How can it be justly said that the farmer is demanding exorbitant prices when 24,000,000 farm people, more than one-sixth of our population, had an earned income last year of 8 percent, or less than one-twelfth of our total earned income? Such talk is nonsense, and no one is going to be fooled by it.

There will be very little paid out in parity this year. I am glad such is the case. But let us not destroy the law under which such payments can be made if and when needed.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. ROBSION] to submit a unanimous consent request.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made today on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, it seems to me there are at least three elements involved in this proposition. One is the price which the farmer receives as a result of direct action taken by the Price Administrator, Mr. Henderson. Another is the amount paid to the farmer under the name of soil conservation. Another is the amount that is necessary to give the farmer parity of price by taking the difference between the sum of the market price received and the soil conservation payment and deducting that from what constitutes parity and making up that difference by whatever is involved in this bill.

It seems some of the experts here construe the Taber amendment as taking out of the farmer's pocket, we might say, the soil benefit payments and using them as part of the funds with which to make up the parity of price. I do not know how anyone can logically or equitably object to a farmer receiving parity of price for his labor in the form of goods which he takes to the market. I have never objected to that, but the thing I do object to is the operation of a price administration in such a manner as to hold down prices in the market so that the farmer cannot get a fair return for his efforts. I think that is now being done. I think it has been done more or less for some years past. A fourth element which I think enters into this proposition is the question of tariff which was mentioned by the gentleman only a moment ago. I believe that those who are watching this program unfold will readily admit that we are moving toward a day when all duties on agricultural commodities coming into this country will be very materially reduced below today's level. If this is to be the program, it seems to me that this parity of price issue is to be constantly before us for some time to come, and if the parity of price appropriation is to be the slide rule or the shuttlecock to accommodate this thing, I guess we will have parity of price appropriations down through the years, war or no war, economic movements or noneconomic movements. This is about the way it appears to me, and I do not know any power that this Congress can exercise and at the same time leave a price administrator free, with the power he has at the present time, to get these prices higher than they are at the present time. I think the Price Administrator is going to do this job just about the way he wants to do it, paying not too much attention to the wishes of Congress or to the legislative intent. This may sound like a harsh charge, but I believe the program is unfolding about that way, and perhaps the farmers will have to take that punishment in whatever form it may come.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, in the base period, 1909 to 1914, inclusive, I was

quite a farmer, hitching up something like 100 head of harness animals in the morning. I know what we had in mind at that time. We were selling our wheat at from 90 cents to \$1 in our country. We were paying for a seeder or drill about \$90 and for a mower \$45 or \$50. These were the prices of the eastern manufacturers, for such implements. The things we had to buy as farmers increased by reason of the prices fixed by the industries. Then commenced an agitation in our country as to why we could not do something to meet that situation of fixed farm products. I spent much time and some money trying to organize the farmers in the Northwest so we might have something to say about prices. We went on farming in my country and going broke, gradually, until 1929-30 came, with the crash which carried down farmers, banks, and business.

I came to the Congress 9 years ago this spring. At that time I became a member of the Committee on Agriculture, where I found under consideration a farm bill containing what we knew at that time as the processing tax. We levied a certain amount of money to be paid by the processor, the man milling wheat or the man handling the tobacco or the man preparing it for market, and this was to be distributed to the growers. It was the first approach to parity that the farmer had. Under it, our wheat farmers in my country got about 27 cents a bushel in addition to the market.

When the Supreme Court saw fit to say that the processing tax was unconstitutional, there was born the Conservation Act and parity payments came later. I agree with those who say that we ought not to take the money from the National Treasury for parity payments. I am among the group that believes that the prices paid for the commodities should be the cost of production with a reasonable profit added thereto, and that these costs should be paid by the consumer. Under that idea I have had pending, for a number of years in the Agricultural Committee of the House, a bill known as the certificate bill, which provides a method by which there shall be collected a certain amount of money from the processor, or the miller, the man who handles wheat, tobacco, and rice and other commodities which must be prepared for markets. The amounts which shall be paid for the certificates shall be distributed to the producers who grow the commodities. The idea is to find a legal substitution for the processing tax. It can be done for wheat and cotton, peanuts, and tobacco. It will not work any better for corn than the old corn-hog program which was right in theory, but when we came to put it in practice we found much difficulty in getting paid as the processor of the corn—namely, the hogs and the cattle—were not good paymasters. Therefore, as far as the program on corn was concerned, it was not successful, although it would be so on wheat and cotton.

I am going to vote against this amendment. I feel that the idea is right, but not as we are now operating. I hope the day is not far distant when we will put

on a real program, which means that the men who consume the tobacco and the wheat and other articles will pay the money that should go to the producer.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. GILCHRIST. Mr. Chairman, the gentleman from New York [Mr. TABER] stated a few moments ago that if those of us who are interested in farmers wanted to be fair, then we would go along with him. Last week the Commerce Department released its findings in respect to income in 1942, which amounts to something between \$94,000,000,000 and \$95,000,000,000. Of that the farmer gets less than 8 percent, although he represents 24 percent of the population.

Mr. CANNON of Missouri. And that in view of the fact that in 1920 the farmer got 19 percent in comparison with the 8 percent he receives today.

Mr. GILCHRIST. Yes; so that when the gentleman from New York wants to subtract the conservation payments from what the farmer ought by right to get, he wants farmers to pay twice for their conservation efforts just as was pointed out by the gentleman from North Dakota. The farmer already pays a full consideration for his conservation payments, and he ought not to be charged for it the second time when we come to computing what he ought to get by way of parity. If you don't believe in parity for the farmer, that is one thing, but if you do, you will vote against this amendment. The farmer does not want to be compelled to become a beggar and go about with a monkey and a hurdy-gurdy, and a tin cup, and come around to our people and say, "Won't you please put a dime in here?" He wants to stand on his rights and sell his product in the open market at a price that conforms to what he ought to get. He wants to get parity for his product and not charity from Congress. It has been said here on the floor and in the press that parity will cause an inflation by \$1,000,000,000. Nothing could be further from the truth.

I have here statements about bread. The farmer from a loaf of bread now gets about 1-7/100s of a cent per loaf. Take this package of Pep which I show you.

If you paid the farmer for his share in that at the same price that you pay for the Pep, he would be getting \$48 a bushel for his wheat instead of \$1.10. If you were to give him his share on the same proportion that you pay for this package of Wheaties, you would be paying him \$15.60 per bushel instead of \$1.10. Here is a package of corn flakes; by the same token you would be paying him \$11.95 per bushel for his corn instead of the 68 cents per bushel which he is getting for it now.

When the old rooster crows, then everybody knows that there will be eggs for our breakfast in the morning. You know what the rooster does? He brings on the dawn. If it were not for the rooster crowing in the morning there would be no dawn, according to the philosophy of some folks, some of whom I think are on this floor. Here is an egg which has not yet been boiled. Last Friday I paid 53 cents a dozen for that egg. The gentleman from Georgia [Mr. Cox] told me

today that he recently paid 59 cents per dozen for eggs, while at the same time they were selling down in his district for 15 cents a dozen.

These eggs cost me 53 cents a dozen. Out in my country they are getting only 23 cents a dozen for eggs.

I wanted to tell you more about why the roosters crow in the morning, but I see they will not give me any more time. A few cents to farmers will not bring on inflation except under the philosophy of those who think the crowing of the old red rooster out in the barnyard causes the dawn to come up over the eastern horizon every morning. Fiddlesticks!

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I have been on the floor this afternoon, and I have talked to several men who, beyond question, have always fought the battles of the farmer on this floor. Those men have said to me:

This Taber amendment seems like a pretty good amendment to me. It seems to me like perhaps it is all right.

Let me say to any of you men who have in mind that kind of an idea, I take my hat off to the gentleman from New York [Mr. TABER]. He has been here a long time. He is an astute gentleman, clever, smart, skilled in the artifices of legislation. I know that the gentleman from New York is neither a friend of parity nor a friend of soil conservation; I doubt if a friend of the farmer. I just want to lay down this warning to you: If this amendment had been offered by a friend of agriculture, I would not have been a bit suspicious of it. Then I would have wanted to dissect it and take it apart and see if it was all right; but, since it does not come from a friend of agriculture, but comes from my friend from New York, I am a bit suspicious of it to start with, because I am positive that the gentleman from New York [Mr. TABER] is making no serious effort to do anything that would be of benefit to the agriculturalists of this country.

Let me tell you what the purpose of this thing is, in my judgment. As has been said heretofore this afternoon, cotton will bring parity. It is now and, no doubt will continue to do so, during this emergency. I am inclined to think that corn and wheat will go up to where there will be no parity payments made on them; where the money provided in this bill will not be needed. But the purpose of this is to get the first foot in the door against parity after the emergency is over. Then you will have this wedge to start on and they will drive it in and broaden the gap until you have broken the Government away from parity.

What is the matter with parity, anyway? Why should not these men who form 24 percent of the population of this country, since the Federal Government has taken unto itself the job of protecting everything and everybody—why should he not have a guaranty of parity? Parity with what? Equality with other classes of people, labor, business, and so on. Surely, it is no more than he is entitled to if the Federal Government

is seriously going to continue to protect the wages paid labor, privileges for labor. This farmer is not organized. He is just the man that stays out at the forks of the creek, goes to work at daylight, and works until dark. To do what? To feed the Nation. To feed the Army and the Navy now. You stop him, and this war will be over quick. You need not worry about the farmers making too much money. They are not making much now. They will not make much with parity, and whatever they do make they work hard for, and they are not ever going to get more than they are entitled to.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, I have heard it said that parity means equality, but my observation on this floor is that parity means to many here something you can pare down from a bill if you do not come from sections where there is agriculture.

Mr. TABER. Oh, now, will the lady yield?

Miss SUMNER of Illinois. I refuse to yield. For a long time our farmers had stable markets for their grain. We had tariff protection until the World War came. Then we had to extend acreage and began to produce more than we had markets for. Our farmers during the 1920 period had a hard time, chiefly, I think, due to the philosophy which grew up in the East, and which dominated Government, that this country ought to be like England, industrialized; everybody working in industry and manufacturing so that we would get all of our grain and all of our food and cotton from foreign countries. I think that dangerous philosophy inspires the arguments made by Members on this floor to which I have alluded. After the depression there came the farm program, which most of our farmers considered a boon to them and to the Nation, since their welfare is reflected in the welfare of little towns and also of the cities.

According to that farm plan, all of us who farm got together, controlled by the Government in much the same way that the railroad industry was controlled, an industry which was equally competitive. Most of us were glad to join that program. We were glad to do whatever was necessary to conform to that program so as to control production and secure fair prices. It seems to me that that was a good program and it will be a good program for the future when the next depressions come.

Today, however, farmers are in a pincers movement. The farmers have on one side the Price Administration experts who are trying to hold down our farm prices below cost of production. On the other side, we have Members in Congress who call themselves the economy bloc, who, however, were silent the day last week when we appropriated three and one-half billion for the Reconstruction Finance Corporation without anything said as to what was to be done with the money, and who are not here many of

the times when some of us walk down the aisle voting to save the Government money, voting to cut down extravagance amounting to millions and even billions.

What does this amendment do? In my opinion, it is as unjust and unfair and impracticable as some of the other amendments that have been offered to-day, which pretend to favor the poor at the expense of the rich, but which will undermine the interests of the farming business and which are particularly against the interest of the many, many thousands of farm hands and their families whose only jobs are on the big farms, who are neither farm owners nor farm tenants.

What does this amendment do? It states, in effect, that if you are raising a crop—let us say cotton or tobacco, which has already reached parity—you can get your conservation check; but if, on the other hand, you are raising corn or oats or some crop which has not yet reached parity, then you give up most of your conservation checks. What kind of justice is that, I ask you? Was it not Socrates who said:

The only excuse for representative government is that it offers a better opportunity to give justice to every person and every class of persons, rich or poor, weak or strong.

And remember also that English statesman of long ago who said:

Tyranny is just as possible in a democracy as it is in a dictatorship unless representatives who hold the power are very careful to deal out equal justice.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman—

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield for just a second?

Mr. DISNEY. I yield.

Mr. DIRKSEN. I want the RECORD to be kept clear as showing that the language of the Taber amendment was submitted to the subcommittee by the Department of Agriculture. You will find it on page 48 of the hearings, where the following colloquy occurred:

Mr. TARVER. In other words, according to this language, you want to charge the farmer in deciding whether he is to get parity or not, for all of his soil-conservation benefits?

Mr. EVANS. Yes, sir.

Mr. DISNEY. That, I presume, Mr. Chairman, is not taken out of my time, because I am not going to discuss parity.

In 1910, Mr. Chairman, our population was 90,000,000; in 1940, it rose to 130,000,000. In 1913, our total Federal appropriations were \$700,000,000 per year. Our total Federal expenses in 1940 were \$9,000,000,000, exclusive of the emergency defense fund. Servicing of the public debt is going to run to tremendous proportions in a very few years. In a few days we are to extend the public-debt limit to \$125,000,000,000; the Secretary of the Treasury has advised us he would be back in about a year, in the fiscal year 1943 or fiscal year 1944, to ask for more. The servicing on the public debt then will run not less than \$2,500,000,000 and, possibly, \$4,000,000,000 annually.

Contemplate the enlarged Navy and Army we shall have to maintain not very far in the future, running into billions of dollars annually. Then contemplate the possibility of receipts after the war running into some more billions. Then contemplate the size of the average current Budget as such nowadays having advanced from \$2,500,000,000 per year in Coolidge's term to, as I said, \$9,000,000,000 in 1940, exclusive of the emergency defense fund. So, if you can analyze the situation and come to any conclusion that our annual Budget will not approach more nearly \$20,000,000,000 than \$15,000,000,000, it will amaze me. We cannot think of it in terms of much less than \$15,000,000,000. Fortuitous circumstances might allow us to keep it at that figure, but I cannot visualize it in any other terms unless we learn to run our Government less expensively.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Chairman, I am opposed to the amendment offered by the gentleman from New York [Mr. TABER]. Soil-conservation payments are made to the farmers of America for the purpose of recompensing them for taking lands out of cultivation on which they grow marketable crops from which they receive income. Whether or not you are seeking to achieve parity, and whether or not the American farmer receives absolute parity of income, under the philosophy of the Soil Conservation Act he would still be entitled to remuneration for the land which he takes out of cultivation in order to recompense him for the seed, the labor, and the other expense incident to using those acres for a purpose other than an income. He is not able to sell what he takes off of his land and use it as his income, and for this reason, if for no other, we should not adopt this amendment.

With reference to parity, parity payments are made for the purpose of achieving parity for the American farmer in the economic life of the Nation.

I must confess that I am puzzled at a farm philosophy, if it can be called a farm philosophy, which on the one hand will permit a Federal price administrator to use his powers and the powers of the Federal Government to beat down farm income to a level below that of parity and on the other hand dip into the Federal Treasury and take the taxpayers' money to build that income back up to parity. It just does not make good sense. I am one of those who believe that if you will remove from the American farmer and from American economic life the threat which the Price Administrator holds over the American farmer, it would not be necessary for the Secretary of Agriculture to make one single payment to any American farmer in order for him to achieve parity of income.

As I said in the beginning, regardless of whether the farmer has parity or does not have it, certainly he is entitled to soil-conservation payments. It is purely and simply a case of just restitution to the American farmer for the income that you have taken from him when he goes

along with the soil-conservation program. Mr. PIERCE. Will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Oregon.

Mr. PIERCE. Would it not be a far better program if we could so arrange the law that the user of the commodity would pay rather than drawing it from the National Treasury?

Mr. STARNES of Alabama. Why certainly.

Mr. PIERCE. I believe in the law, but we should collect from the man who uses the article.

Mr. STARNES of Alabama. I agree with the gentleman.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, as I understand, there is only one amendment pending, the amendment offered by the gentleman from New York [Mr. TABER]. Unless there are some other amendments pending, I do not care to use any further time now, but would like to reserve the time allotted to me, if any other amendments are offered to the pending paragraph.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I want to take issue in a nice friendly way with the gentleman from Oklahoma [Mr. NICHOLS], in his criticism of the gentleman from New York [Mr. TABER]. Mr. TABER's amendment is offered in a sincere effort on his part to promote the best interests of the people of the United States. We cannot all see alike upon various issues and I respect the right of either the gentleman from Oklahoma [Mr. NICHOLS] or the gentleman from New York [Mr. TABER] to express himself as he sees fit upon these questions. We are fortunate to have that privilege in America. May we always retain it. When I first heard the amendment offered by the gentleman from New York [Mr. TABER], I thought perhaps it was all right, but the more that I have been thinking about it the more I have come to the conclusion that it is not. Parity for corn and wheat is not assured under his proposal, and therefore I cannot support it. But may I say for that gentleman that he is doing a splendid job of watching out for any possible wastage of money. Had there been more like him in Congress during the last 10 years, much of the W. P. A. appropriations would have gone into national defense works. There is in this parity question no wastage, but simply justice.

Mr. Chairman, I am wondering, and this comes from one who has supported parity ever since he has been a Member of Congress, and speaking as a friend of the soil-conservation program, whether or not we should seriously consider temporarily shelving our Triple A program, until the time comes again when prices fall below parity. It has accomplished its purpose as far as parity prices are concerned and agriculture in America owes to that program a great deal of gratitude. I speak as one who has joined

it since its inception. We now are at war and personally I think it would be well to do this, provided we could be assured of parity price for the duration. I would like to see the President promise the farmers and say to us, "We will see to it that commodities will not sell under parity at Chicago." If he would say that to us, and agree to hold corn and wheat up to 100 percent of parity, and agree that Mr. Wickard would refrain from any action toward pushing it down to 85 percent of parity, I would be willing, speaking as an actual farmer, to do away with any possible benefits I might receive out of this bill, and I believe 100 percent of my farmers would agree with me. All they want is parity. We are not grasping. We want enough to pay our bills, educate our children, and stand on the same platform as industrial America and labor.

May I also state that I am opposing this amendment because I do not think, from personal experience, that it will give us the parity on wheat and corn that we are entitled to. As I said before, perhaps it is time now for you and me and all friends of the farmer, and all of us indirectly are the friends of the farmer, to decide whether or not we should temporarily put the Triple A program on the shelf and depend upon honest parity prices received on the market for justice to the farmer. No farmer wants a dole.

I have been turning over this problem in my mind, of farm labor. In an address to this House recently I suggested using the C. C. C. boys on the farm, because the farm-labor situation is becoming serious.

No one can foretell how long this awful war will last. We cannot foresee the production possible on our farms in a few years, or the labor available for such production.

I cannot help but think that we should produce now and during the war all that our good lands can produce. The ever-normal granary is a blessing, and why worry about disposing of the wheat, corn, and cotton surplus. We should be thankful instead that we have them. There will be hungry nations to feed.

I think it would be insurance against a scarcity of food if, while we still have farm labor available, we throw down all bars as to production and produce all we can. There is no telling what kind of crops we are going to have, and corn and wheat in the granary might look just awfully good to us 5 years from now—yes, it may mean the difference between victory and defeat in a long drawn out war. Give the farmer parity and he will produce an abundance of food for all.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I think there has been enough debate on this matter, and I suggest that we vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER), there were—ayes 37, noes 74.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer another amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 77, line 5, after the word "farm" insert "Provided further, That the total expenditures made and the contracts entered into in pursuance of this paragraph shall not exceed in all \$212,000,000."

Mr. TABER. Mr. Chairman, this amendment would limit the amount that might be spent under this paragraph to the same figure that has been carried in these appropriation bills for the last 2 years. I hope the House will agree to it and will place a limitation upon what may be done. If prices stay as they are, a total in excess of this sum may be reached. I hope the House will place some limitation on this and not let it go completely out of control.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I see only one objection to this proposal; that is, the farmers of the country will be charged by the newspapers with receiving \$212,000,000 in this bill for parity, when as a matter of fact there is no reason to believe that the parity payments under present conditions will anything like approximate that amount. I do not think the farmers will be hurt if you adopt it. If you want to put a provision of this type in the bill, I have no particular objection to it except the one I have mentioned. I feel that if the farmers get only \$50,000,000 in parity benefits it will not be particularly helpful to them to have the maximum amount stated in the bill as \$212,000,000 so that the press throughout the country can spread the news that the farmers have had \$212,000,000 added in this bill. That is what they will say about it, but the farmers will not get the \$212,000,000. That is the whole gist of the matter. It is just a question of policy, and it will not save a dollar to the Government to put this amendment in here; and it will not take a dollar from the farmer, in my judgment. It is simply a question of policy as to whether or not you want to do it.

Mr. HOOK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not believe this would be a matter of economy at all. You know and I know that when you start putting figures before some of these bureaucrats down here they think about spending those figures, and they will figure out some ways and means and devise some way to try to use as much of the \$212,000,000 as they can, whether or not they use it all. I think as the gentleman from Georgia [Mr. TARVER] does—that we should not have this provision in the bill, because I do not believe it will be in the best interest of economy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 54, noes 73.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TABER and Mr. TARVER.

The Committee again divided; and the tellers reported that there were—ayes 64, noes 83.

So the amendment was rejected.

The Clerk read as follows:

Salaries and administrative expenses: Not to exceed \$3,513,498, of the funds of the Commodity Credit Corporation shall be available for administrative expenses of the Corporation in carrying out its activities as authorized by law, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833); printing and binding; law-books and books of reference; not to exceed \$400 for periodicals, maps, and newspapers; procurement of supplies, equipment, and services; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That none of the fund made available by this paragraph shall be obligated or expended unless and until an appropriate appropriation account shall have been established therefor pursuant to an appropriation warrant or a covering warrant, and all such expenditures shall be accounted for and audited in accordance with the Budget and Accounting Act of 1921, as amended: *Provided further*, That none of the fund made available by this paragraph shall be used for administrative expenses connected with the sale of Government-owned stocks of farm commodities at less than parity price as defined by the Agricultural Adjustment Act of 1938.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: On page 78, after line 24, insert the following:

"*Provided further*, That the provisions of this act shall not apply to the sale or other disposition of any agricultural commodity to or by the Agricultural Marketing Administration for distribution exclusively for relief purposes, nor to grain which has substantially deteriorated in quality and is sold for the purpose of feeding or the manufacture of alcohol, or commodities sold to farmers for seed."

Mr. TARVER. Mr. Chairman, I wonder if it may be possible for us to agree on some limitation of debate. This subject matter involves the same thing we have been talking about for the last hour and a half—parity—and it would seem that we might be able to get along with very little time.

Mr. PIERCE. I have an amendment asking for the striking out of this section.

Mr. TABER. May I suggest that we might close debate on this amendment rather quickly, and then take care of the other amendments as they are reached.

Mr. REED of New York. I feel very deeply about this amendment and I think it really deserves some discussion on my part. I ask that I be permitted to proceed for 5 additional minutes.

Mr. TARVER. As far as I am concerned, I can see no objection to the gentleman's amendment. That is a matter for the determination of Representatives from the wheat and corn areas. If they object to it, they should present their objections. As far as I am concerned, I shall make none. I do not know why the gentleman should desire extra time on the amendment unless there is some disposition on the part of some to oppose his amendment.

Mr. REED of New York. I do not want to talk if we can carry this amendment.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto close in 10 minutes.

Mr. EOOK. Reserving the right to object, Mr. Chairman, just what does the gentleman's amendment provide?

Mr. REED of New York. It provides that the Commodity Credit Corporation can sell its grain that has deteriorated to the farmers for feed below the parity price.

Mr. HOOK. Just the grain that has deteriorated, or all grain?

Mr. REED of New York. No; deteriorated grain; and it can sell it to be made into alcohol, and for other war purposes.

Mr. DIRKSEN. Reserving the right to object, Mr. Chairman, the request of the gentleman from Georgia in the form stated would probably preclude the offering of a substitute amendment by the gentleman from Kansas [Mr. HOPE] and might preclude the gentleman from Minnesota [Mr. ANDRESEN] and some others from offering amendments. I suggest that the time be extended.

Mr. TARVER. Mr. Chairman, I withdraw the request for the present.

Mr. REED of New York. Mr. Chairman, the bloody drama which is now taking place in Asia and Russia ought to give us pause for thought. As I have stated many times on this floor recently, we are in war and we are in it clear to the hilt, and our soldiers are bleeding and dying in various parts of the world today.

Now, there is one industry in this country that is vital to the war. Let us make no mistake about it. I refer to the dairy industry—the largest farm industry we have. A great many people think when you mention dairying that your are mentioning something that is not of very great importance. But when you consider that the products sold by the dairy industry exceed the products sold by the motor companies of this country and by the steel companies and many other outstanding concerns, you realize it is a large industry. The Department of Agriculture, in order to feed our Army and the civilians abroad, are asking the dairy farmers of this country to increase their yield of milk from 117,000,000,000 pounds to 125,000,000,000 pounds. I say to you that the dairy farmers, in order to do that, must have feed for their stock. Unless the farmers can get reasonably cheap feed for their stock they never can produce the 125,-

000,000,000 pounds of milk that is required, neither can they carry out the lend-lease program for Europe. We must have the cheese that is required under the lend-lease program. We must have the evaporated and dried milk and the fresh milk.

I hope you will realize that the feeding of the Army and the civilian population of this country and of the foreign countries is vital to the winning of this war. Right now Java is supposed to have fallen. Australia will be next, make no mistake about that. The next blow will be made at New Zealand, upon which Europe has depended for similar products for many years. In times past it has been one of our competitors. The milk products now will have to come from the United States of America; and they are important. It is food in concentrated form.

So I urge you, rather than let this grain, now owned by the Government, deteriorate and rot and spoil, let the dairy farmers of this country who are called upon to make this extraordinary effort have the benefit of this cheap food for their stock in order to meet the war requirements. I hope the amendment will pass.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. I do not know whether I understood the gentleman's amendment correctly, but it seemed to me it dealt with wheat that has already spoiled.

Mr. REED of New York. Here is the amendment.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HARRINGTON. Could not the gentleman arrive at his objective by putting a general parity-price level on all things produced on the farm, dairy products included?

Mr. REED of New York. This is about the only way I could see to work it out at this time in this bill. I do not think it is going to hurt anybody, and I think it is going to benefit the country remarkably well under the circumstances. There is one thing certain: We must change our thinking a little bit in this country. Unless we do change our thinking, unless each group ceases to be selfish, there is a possibility that with all our resources we can lose this war. Here is something that is almost as vital as the manufacture of arms and munitions.

If this amendment will not cure the situation or if it will not do the work in the opinion of the Committee, I have no objection to any substitute amendment that may be offered to it, but the amendment offered was lifted from the Bankhead bill over in the Senate. It seems to me it would do the job and do it well; I hope the Committee will adopt the amendment.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from California.

Mr. VOORHIS of California. Am I correct or not correct in stating that the gentleman's amendment would apply

only to grain which had deteriorated in the case of grain sold for feed?

Mr. REED of New York. Yes; that is the way I understand it. It will also go into the making of industrial alcohol, which is another important factor in the winning of any war.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HOOK. Does the gentleman think his amendment goes quite far enough? Does he not think we ought to use all of these surplus commodities and put them on sale?

Mr. REED of New York. I do not want to go any further than I think the House will go on this proposition.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. VOORHIS of California. As I understood, the gentleman said his amendment applied to commodities sold to farmers for feed, but, as I understand it, the amendment at the desk reads, "commodities sold to farmers for seed." The difference between "seed" and "feed" is very substantial.

Mr. REED of New York. The gentleman is mistaken. My amendment reads in its concluding words:

Is sold for the purpose of feeding or for the manufacture of alcohol or commodities sold to farmers for seed.

That is taken out of the Bankhead bill.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. O'CONNOR. Is there any assurance that this grain will be used for the purpose of manufacturing industrial alcohol, when now, when we have to import sugar, we are making it out of sugar, instead of out of grain, of which we have 1,800,000,000 bushels?

Mr. REED of New York. The War Department officials have been before the Ways and Means Committee urging means to obtain the necessary industrial alcohol for the Army.

Mr. O'CONNOR. Is it not a fact that not 10 percent or 11 percent of industrial alcohol produced today is produced from grain and the balance is from sugar?

Mr. REED of New York. I do not dispute that at all.

Mr. COFFEE of Nebraska. Would the gentleman's amendment make it possible for the United States millers to use domestic grain for making flour for export in competition with the Canadian grain they could buy and mill in bond and export?

Mr. REED of New York. I had thought, in view of the gentleman's statement, of writing in something about exports, but I did not care to muddy the waters. I do not think it will interfere with that.

Mr. HOOK. Mr. Chairman, I move to strike out the last word. I think that the gentleman's motive is worthy, in the idea that he is trying to bring out, but I do not believe that he is going far enough. The enactment of this section will break faith with other groups, because for a long period we have sought to establish the parity principle for agriculture. Farm prices are now averaging near parity. For beef cattle, hogs, and tobacco, prices are above parity.

We have authorized the fixing of a ceiling at not less than 110 percent of parity for any farm commodity. For some important agricultural commodities, including lint cotton, cottonseed, lambs, and wool, price ceilings could not be less than 120 percent of present parity. It is contemplated that these ceilings would apply to scarce commodities and that the price of surplus commodities would be protected at 85 percent of parity so that the average would be approximately parity. If the prices of surplus commodities are pushed above parity, obviously farm prices would average above parity.

The A. A. A. Act contemplates that reserves would be built up in the case of our major commodities to be used in times of emergency. We now have an emergency and these reserve supplies should be moved into the market when the prices at the market place and the payments equal parity. Payments for corn, wheat, and cotton represent about 15 percent of parity and growers of these crops will get parity when farm prices average approximately 85 percent of parity.

The enactment of the provision in this bill will check expansion of livestock products.

Livestock producers expand production when the prices of livestock products are favorable as compared with the prices of feed. The price of feed is now between 85 and 90 percent of parity. If this price is advanced to 100 percent of parity the increase in production would be checked and we would have smaller quantities of livestock products available. Any action that checks the expansion in livestock production will bring price ceilings and rationing of livestock products on us earlier.

If the price levels of corn and wheat were permitted to increase 10 or 15 percent, as will be the effect if this provision is retained, and the prices of meats are held stationary by the imposition of ceilings, then, obviously, feeding would be discouraged since the feeding ratio would be correspondingly less favorable.

As badly as we need meat products for our own fighting forces and for our Allies, we cannot afford to jeopardize the production program.

The enactment of this provision will reduce market outlets for corn and wheat, tighten the storage situation, and increase transportation difficulties.

Sizable quantities of corn and wheat are being sold for the making of industrial alcohol at prices below the market prices.

Wheat — approximately 100,000,000 bushels — is being sold for feed at the market price for corn, which is less than the market price for wheat.

These sales would be discontinued and the elevators now holding this wheat would not be available for handling the new crop. Consequently, the price of the 1942 crop would be depressed because of less available storage.

Also, wheat on the Pacific coast is being used for feed, and if this were discontinued, it would be necessary to haul corn to that area. This would increase the transportation problem.

It will also reduce the consumption of cotton and tobacco.

Some cotton is being sold for use in making cotton-bale covers and for insulating material at less than market prices. These sales would be discontinued and difficulties would be experienced in getting bale covers except at prices almost twice as high as present prices.

Some tobacco is being used in making nicotine for spray materials. This market will not take tobacco at parity prices. Consequently, these sales would be discontinued with resulting loss to tobacco growers as well as to the users of the spray material.

There is no doubt in the minds of thinking people that off-grade and damaged products would be wasted if this provision remains.

Often some products become damaged or go off-grade in the marketing process. These products must be sold at the market for the particular class of product. Such sales can seldom be made at parity prices. Consequently, the products would rot or would have to be destroyed. We had enough of this burning of corn and wheat under the old Farm Board idea. Let us have none of that in this emergency.

There is no doubt that a restriction against the sale of these commodities will contribute to inflation.

The freezing of supplies would obviously help speculators and contribute to the spiraling of prices. In the end farmers will lose as much or more from the spiraling of prices as any other group. In the long run this action would work to the disadvantage and not to the advantage of farmers.

Mr. TARVER. Mr. Chairman, I wonder if we can arrive at some basis for limiting debate? I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. WADSWORTH. That is just on the amendment offered by the gentleman from New York [Mr. REED]?

Mr. TARVER. That is just on the Reed amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CULKIN. Mr. Chairman, reserving the right to object, how is that time to be divided?

Mr. TARVER. That would be in the discretion of the Chair.

Mr. CULKIN. There seem to be six or eight who want to speak. I would like to have 5 minutes.

Mr. TARVER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from New York [Mr. REED].

The Clerk read as follows:

Amendment offered by Mr. HOPE as a substitute for the Reed amendment: On page 78, line 20, after the word "that" insert "beginning with the next marketing year for each commodity"; and on line 24, strike out the

period, insert a comma, and add "except sales for export and sales of wheat for feed and alcohol."

Mr. HOPE. Mr. Chairman, this amendment, if adopted, would make the proviso read as follows:

That beginning with the next marketing year for each commodity none of the funds made available by this paragraph shall be used for administrative expenses connected with the sale of Government-owned stocks of farm commodities at less than parity prices as defined by the Agricultural Adjustment Act of 1938, except sales for export and sales of wheat for feed and alcohol.

The effect of this would be that this prohibition would not go into effect with respect to any commodity until the beginning of the next marketing year. In the case of cotton that would be August 1. In the case of wheat it would be July 1, the same date as in the bill, and in the case of corn it would be October 1.

Mr. WADSWORTH. Does the gentleman include corn?

Mr. HOPE. No; I do not include corn as one of the exceptions, but there would be no prohibition of the sale of corn at less than parity prices until October 1, under my amendment. That would give time for livestock producers to adjust themselves to possibly higher prices of corn, and would do away with what I am afraid will happen if we leave the language as it is in the bill, namely a killing by the speculators. There are not very many farmers who will have any corn to sell in the next months or until the new crop comes in. There is no reason why we should pass legislation to make it possible for speculators to reap a rich harvest by reason of any price advance that might occur between now and that time. So, as far as corn is concerned, there would be a period in which the adjustment could be made.

Now, as to wheat this amendment would permit sales for livestock feeding or alcohol. Our supply of wheat in this country is constantly increasing. It was 269,000,000 bushels more on January 1, 1942, than it was on January 1, 1941, and 381,000,000 bushels more than it was 2 years previously. There is no outlet for this excess wheat at present, except by its use for feed or alcohol.

Farmers for many years have talked about a two-price system for wheat, whereby part of it would be sold abroad at less than domestic prices. This, in effect, is applying the two-price system to wheat, with the proviso that the low-price wheat shall be sold for livestock consumption and for alcohol.

Mr. HOOK. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. HOOK. I think the gentleman has a very worthy amendment. I think it takes care of the same idea I had when I was speaking, but what I would like to ask the gentleman is this: In his opinion, does he think that corn can be sold for the production of alcohol at parity at the present time?

Mr. HOPE. Well, I do not know. I have no opinion on that, but it would not be affected for the next 6 months, in any event.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman, of course, knows that we are importers of sugar. We only raise about one-third of the sugar that we consume.

Mr. HOPE. Yes.

Mr. O'CONNOR. We have a surplus of grain which the gentleman has so well told us about. Now, does not the gentleman feel that the Government of the United States should make our industrial alcohol out of that commodity of which we have a tremendous surplus, instead of making it out of a commodity that we may have a scarcity of?

Mr. HOPE. Yes. I am very much in accord with the gentleman's views on that matter. I know he has presented them very forcibly and ably upon the floor many times. But I understand that at this time there is some question as to whether we can procure the material to erect the distilleries that will be necessary. That is a problem that will have to be solved.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTINGTON. I am generally in sympathy with the gentleman's amendment, but does not the gentleman want to change the crop year for cotton?

Mr. HOPE. This does not change the crop year. This simply provides that beginning with the next marketing year which is August 1 for cotton.

Mr. WHITTINGTON. Well, it is July 1 as far as cotton is concerned.

Mr. HOPE. In the bill it is July 1, but the marketing year is August 1. I have no objection.

[Here the gavel fell.]

Mr. PACE. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. PACE to the substitute amendment offered by Mr. HOPE: At the end of the amendment offered by Mr. HOPE add "On sales of cotton required in connection with the present new uses program being carried out by the Department of Agriculture."

The CHAIRMAN. The gentleman from Georgia is recognized for 2 minutes.

Mr. PACE. Mr. Chairman, this amendment simply exempts from the prohibition the programs that we are all very much interested in, the new-uses program for cotton. We are trying to extend the uses of cotton. This would permit the sale of cotton for use for the program we now have on cotton bagging and insulation for houses and other new uses that we are trying to make which necessarily have to be subsidized during the experimental period. This amendment simply permits that to be taken out from under the prohibition.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. AUGUST H. ANDRESEN. In reading the proviso, the limitation is placed on using any of the funds for administrative expense.

Mr. PACE. Yes.

Mr. AUGUST H. ANDRESEN. Does the gentleman believe that such a limita-

tion will stop the policy of the Department in that respect?

Mr. PACE. I at least hope it will be most persuasive.

Mr. AUGUST H. ANDRESEN. The gentleman recognizes, however, that they could use funds from some other agency, and could do just as they saw fit.

Mr. PACE. Not to avoid specific instructions by Congress.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. COOLEY. Does not the gentleman believe that the Hope amendment and his amendment would meet most of the objections which have been raised by the Department of Agriculture?

Mr. PACE. I understand that it will meet practically all objections.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. COFFEE of Nebraska. It would not meet the objections of the Department of Agriculture as far as corn is concerned. At the present time approximately 40,000,000 bushels of corn are being diverted into industrial alcohol.

Mr. PACE. I would not attempt to speak for the corn producers.

Mr. COFFEE of Nebraska. One more question: Does not the gentleman believe that this proviso should be eliminated entirely in view of the fact that the Committee on Agriculture is now considering this very matter?

Mr. PACE. Not under the legislative situation. I do not agree with the gentleman.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CULKIN] for 2 minutes.

Mr. CULKIN. Mr. Chairman, I would like to ask a few questions of the gentleman from Kansas in regard to his amendment.

Does the gentleman freeze the existing deteriorated wheat until the close of the present marketing season?

Mr. HOPE. No; it does not affect wheat of any kind or character in any way except sales for milling purposes.

Mr. CULKIN. Only for milling purposes.

Mr. HOPE. That is all.

Mr. CULKIN. Is that the full effect of the gentleman's amendment?

Mr. HOPE. Yes. It excepts from the provisions all the sales for export and sales of wheat for feed and alcohol. As far as wheat is concerned, everything is exempted except sales for milling purposes.

Mr. CULKIN. I thank the gentleman. The gentleman's reply, of course, is most encouraging and really carries out the scope of the Reed amendment. There is, of course, a great quantity of deteriorated wheat in the country. I understand there is sufficient deteriorated wheat to take care of feeding cattle and dairy uses.

Mr. HOPE. If the gentleman will yield, I do want to confine the sales to deteriorated wheat, the gentleman understands.

Mr. CULKIN. I do not intend to bind the gentleman that way, but it does make

this deteriorated wheat available, as it normally would be at all times. Is that right?

Mr. HOPE. Yes; and it makes some new wheat available if it is sold for feed.

Mr. CULKIN. I thank the gentleman. However, the amendment offered by the gentleman from New York [Mr. REED] has the same effect. It carries the exact text of the Aiken amendment in the Senate which was accepted by both sides in the debate on S. 2255. That language has already passed the Senate by an overwhelming vote. I urge that the Reed amendment be adopted by this body.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GILCHRIST] for 2 minutes.

Mr. GILCHRIST. Mr. Chairman, I favor the use of corn and wheat for alcohol distillation, and deteriorated corn and wheat for feed, but I do not think it is fair by means of congressional legislation to substitute wheat for feed for livestock as against corn. It just creates another rival to corn. This is not fair to the corn farmers of the country. Let them meet each other in the open market without congressional favor to either. Alcohol distillation is needed in the war effort—vast quantities of it—and there is the big outlet that we are going to have for both wheat and corn. Every time you explode a shell you use a barrel of alcohol. We must have great quantities of alcohol in our war effort. We do not have enough now.

Mr. JENSEN. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that alcohol can be processed for less money out of corn than any other grain?

Mr. GILCHRIST. It can be made cheaper from corn than from any other grain. The distillers prefer it above wheat, and I have been advised by experts that they can make it out of corn so as to compete with some of the other things they are now using for making alcohol, such as blackstrap.

A specialist who knows what he is talking about tells me that 2½ gallons of alcohol can be produced from a bushel of corn. At the current price of 50 cents per gallon, this would amount to \$1.25 for the corn. Then there is a byproduct about 15 to 17 pounds of high-grade protein feed per bushel of corn. This is salable at the going price of \$30 to \$40 per ton—say 1½ cents per pound—and this would amount to 24 cents. In addition, about 1½ pounds of high-quality corn oil can be produced from a bushel of corn, and this would sell at about 12 cents per pound and fetching per bushel 18 cents. Add these figures together and you will get \$1.67 per bushel for corn when distilled into alcohol. At present levels the manufacturing of alcohol would be a reasonably profitable business, and estimates made when corn was at 60 cents indicates a probable net cost of alcohol running between 25 cents to 30 cents per gallon.

Mr. JENSEN. And the Hope amendment would eliminate corn, even spoiled corn, from being used?

Mr. GILCHRIST. Under the Hope amendment, you could not use corn for alcohol advantageously.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I do not represent a wheat-producing area, that is, a commercial wheat-producing area, but it seems to me, as I said awhile ago, the language of the Reed amendment is not objectionable, whereas I can conceive of many reasons why the Representatives of the wheat-producing areas would object to the Hope amendment.

As a Representative of a cotton-producing area I also object to the language of the Hope amendment which would defer the operation of this limitation until the beginning of the next crop year. It is true most of the cotton and wheat is out of the hands of the farmer now, but if you permit depression of the market by the sale of these huge surpluses between now and August 1 in the case of cotton and October 1 in the case of wheat, you are certainly going to vitally affect the cotton and wheat prices for the next year.

The Reed amendment is limited to the sale of deteriorated wheat. Under the Hope amendment you could sell any quantity of wheat that you might desire of a marketable character where it is intended to be used for feed purposes. You should not destroy this limitation as to wheat by adoption of the Hope amendment. Of course, the question of whether or not the limitation ought to be had at all will rise upon the consideration of further amendments which will be offered to strike it out, and I do not have time to discuss that now. If you are going to do anything at all with a view to perfecting this limitation, certainly you should not adopt the language of the Hope amendment which would virtually, in my judgment, make the limitation ineffective.

Mr. COOLEY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. I call the gentleman's attention to the fact—my recollection is that there is a limitation on the sale of cotton, limiting it to only 300,000 bales per month, so I doubt very much if you would run into a bad situation.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the Hope amendment undoubtedly is a very desirable proposal provided you have the Gilchrist substitute adding corn. I would be willing to go along and add cotton for the purposes that the gentleman from Georgia [Mr. PACE] suggests. If we do those things we will help the situation very much, and it would permit the Government to perhaps get rid of some of the stocks of wheat and corn that are piling up and that may prove a menace to the farmer's market.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. These are Government-owned stocks?

Mr. TABER. Yes.

Mr. AUGUST H. ANDRESEN. Does the gentleman believe they should be sold below the regular market price?

Mr. TABER. Those parts that are deteriorated certainly should, and if we are going to sell them for export we might better sell those Government-owned stocks for export than to sell the Canadian reserves. It would be better for our wheat farmers if that is done than to have the Canadian reserves sold for export.

Mr. REES of Kansas. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I would like to observe that we will get rid of this wheat surplus if we will let the farmers who are paying this 49-cent penalty feed it to their own livestock.

Mr. TABER. That would be a great improvement.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia to the substitute for the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment to the substitute was agreed to.

The CHAIRMAN. The question now recurs on the substitute offered by the gentleman from Kansas [Mr. HOPE], as amended.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 60, noes 76.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

Mr. JENSEN. Mr. Chairman, may we have the amendment read again?

The CHAIRMAN. Without objection, the Reed amendment will be read.

There was no objection.

The Clerk again read the Reed amendment.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the language of the Pace amendment which has already been approved by the committee relating to cotton only be added to the Reed amendment. It was agreed to as an addition to the Hope amendment.

The CHAIRMAN. The Chair may remind the gentleman from Georgia that the Pace amendment was an amendment to the substitute which was voted down.

Mr. TARVER. I know that the Pace amendment was added to the substitute which has been voted down, but the Pace amendment was approved by the committee. Therefore, I am asking unanimous consent that it may now be added to the Reed amendment, which has not yet been voted on.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the language of the Pace amendment, as offered to the substitute, be added to the language of the Reed amendment which is now pending.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the Pace amendment be again read.

The CHAIRMAN. Without objection, the Clerk will report the language of the Pace amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: At the end of the amendment insert "and sales of cotton required in connection with the present new uses program being carried on by the Department of Agriculture."

Mr. REED of New York. I have no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. REED] as amended by the language of the Pace amendment.

The question was taken; and on a division (demanded by Mr. Hook) there were—ayes 120, noes 12.

So the amendment was agreed to.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 78, line 23, after "Government-owned", insert "or Government-controlled."

Mr. TARVER. Mr. Chairman, I think this amendment, which is perfecting in nature, should be adopted whether you intend to strike out the entire provision or not, because this provision is necessary in order to present clearly the issue which is here involved.

In the course of our hearings, as you will observe by referring to page 67 of part 1 of the hearings, we were advised by officials of the Commodity Credit Corporation that that Corporation was the owner of 157,680,263 bushels of corn, and of 298,321,209 bushels of wheat. We are now advised that, according to the construction which is being placed on this limitation by officials of the Commodity Credit Corporation, the effect of the limitation would be not to interfere in any way with the sale of Government-controlled wheat, since the Corporation denies ownership of any wheat but states that the wheat in question is in producers' pools which the Corporation is authorized to sell, with the duty of accounting to the owners of the wheat in the pools for the difference between their obligations to the Commodity Credit Corporation and the selling price, if any. Therefore, the language of this limitation will not apply to wheat at all if their construction of their relationship to this wheat is correct, unless you insert after "Government-owned" the words "or Government-controlled."

I am simply interested in having the matter presented squarely by the limitation for an expression of the views of the House, and that would not be possible unless the perfecting amendment which I have offered is adopted.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I favor the gentleman's amendment. I think it should be adopted on account

of the construction they have placed on the ownership of their commodities. For instance, on wheat and other commodities, excepting cotton, if it is sold at a loss, then it belongs to the Government, but if it is sold at a profit, then it belongs to the pool. This will eliminate that discrepancy.

Mr. TARVER. I think that is correct. Furthermore, if these officials had testified before us that they did not own any wheat when they came before our committee, the limitation would have been so drawn as to affect the wheat of which they are in control, without regard to the question of ownership; but as you will observe from the page of the hearings cited, they testified they owned this wheat when they came before us, so we merely desire to write this limitation now to make it applicable to the wheat they control, whether they own it or not.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman mean that the Government does not own any of this wheat or cotton?

Mr. TARVER. That is what they claim now as to wheat.

They claim they own the cotton and the corn, but they claim this wheat is in a purchasers' pool and they really do not have ownership. They have control, but they have the duty of accounting to those who placed the wheat in their charge for the difference between the amount of their obligations and the selling price, if they get an amount more than the amount of their obligation.

Mr. TABER. Is the statute different with reference to wheat from what it is with respect to corn and cotton?

Mr. TARVER. No; I do not think so. I think this is a mix-up which is brought about, probably, by a misconception of the Commodity Credit Corporation's interest in this wheat. I think it is something we ought to clarify before we vote on this limitation.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. HOPE. It is my understanding that the reason wheat is in a different category than other commodities is by virtue of the provisions of the loan agreement. When the farmer takes a loan on wheat there is a provision by which that wheat goes into a pool.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

I would like to call the attention of the Committee to the construction that the Commodity Credit group has placed on the commodities under Government ownership and control. In a letter to me, dated March 3, the President of the Commodity Credit Corporation, Mr. Hutson, writes as follows:

The only existing statutory limitation upon the sale of commodities by Commodity Credit Corporation is that found in section 381 (c) of the Agricultural Adjustment Act of 1938 (7 U. S. C., 1940 ed., 1381 (c)). This section relates solely to the quantities of cotton which the Corporation is authorized to sell and the prices at which such sales may

be made. The matter of authority to carry out this sales program is thus reduced to a question of whether it represents an exercise of sound judgment in liquidating the Corporation's holdings of surplus commodities.

In other words, they hold that the only limitation upon the manner in which they may dispose of Government-owned stocks is in the case of cotton; otherwise they may sell corn, rice, tobacco, or any other commodity covered by the activities of the Commodity Credit Corporation at any price or in any manner in which they decide such commodity shall be disposed of.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. I talked to the President of the Commodity Credit Corporation this morning and he states they are making no sales of wheat below \$1.32 in Chicago. It seems to me this whole situation is getting into such a snarl it would be much better to eliminate this provision entirely and let the matter go to the Committee on Agriculture where we can give it the time and the attention that it deserves. I understand the gentleman from Oregon [Mr. PIERCE] is going to offer such an amendment shortly.

Mr. AUGUST H. ANDRESEN. It might be advisable to send it to the committee for study, but we should at least know what we are doing here today. As a matter of fact, it is the policy of the Department of Agriculture to depress the market price on farm products so that the price will stay below parity. Such action will maintain operation of the Agricultural Adjustment Act. If the price of farm products goes to parity, then the administration loses its control over the farmers and there will be no checks sent out as benefit payments under the parity program.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. TABER. What does the gentleman think about the proposition that all of that language beginning on page 78, at line 20, with the words "provided further" will have absolutely no effect whatever?

Mr. AUGUST H. ANDRESEN. I thoroughly agree with that. I do not think it will mean anything at all except to place this limitation on the administrative expense.

Mr. TABER. Then it is nothing more or less than deceiving the farmer.

Mr. AUGUST H. ANDRESEN. Not only deceiving the farmer, but Members of Congress who think they are trying to place some control over the commodities of the Commodity Credit Corporation and their policy.

Mr. TABER. And it will not result in any control whatever.

Mr. AUGUST H. ANDRESEN. None at all, because the President or the Secretary of Agriculture can take funds from some other source and can do just exactly what they have been doing right along, and that is disregarding the intent of Congress in the administration of the law.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COFFEE of Nebraska. In view of what the gentleman from New York has said, and I agree with him, does not the gentleman think the wise thing to do is to strike this provision out entirely?

Mr. AUGUST H. ANDRESEN. So far as I am concerned I feel that we should write definite language in the bill so that there can be no misunderstanding as to the intent of Congress.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. PIERCE. I have an amendment pending at the desk now to strike out the whole thing, beginning with the words "Provided further," and including the rest of that page.

Mr. ARENDS. If the gentleman will yield, have we any assurance that the Committee on Agriculture will do anything about it?

Mr. AUGUST H. ANDRESEN. I might answer that in this way. We pass a law and the Congress has a certain intent with respect to how the law should be administered, and we find these various departments or bureaus interpret the law the way they see fit. Then we have to pass another law here to show how we intended it to be interpreted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. PIERCE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PIERCE: Page 78, line 20, after the word "amended" strike out the colon, add a period, and strike out the remainder of the paragraph as amended.

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. The Reed amendment was in the form of an additional proviso. The gentleman moves to strike out the first proviso, the one already in the bill, but I take the position that he cannot now move to strike out the additional proviso added by the Reed amendment.

The CHAIRMAN. In answer to the parliamentary inquiry the Chair holds that it is in order to strike out the language of the Reed amendment together with the other language already in the bill, because it is simply an amendment to the language of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman from Oregon yield for a question?

Mr. PIERCE. Yes.

Mr. WOODRUM of Virginia. It seems to me that the matter is left a little confusing. The Reed amendment sought to amend the language which the gentleman is now moving to strike out?

Mr. PIERCE. Yes.

Mr. WOODRUM of Virginia. If the gentleman's motion prevails, it strikes out language which carries the Reed amendment with it.

Mr. PIERCE. Yes.

Mr. WOODRUM of Virginia. And if this language is stricken out of the bill, then there would be no necessity for the Reed amendment.

The CHAIRMAN. That is a correct statement of the situation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. TABER. It seems to me, Mr. Chairman, that we cannot very well reach and dispose of this amendment now, and that it would be much better than when the House convenes next to consider this bill we started in with debate upon this amendment so it could all be considered together, than to have it taken up now.

Mr. TARVER. Mr. Chairman, it seems to me that there is no reason why the House should not dispose of the amendment offered by the gentleman from Oregon. We have already had 2 hours of debate upon the subject of parity. Why any considerable number of gentlemen would want to speak on substantially the same question raised by this amendment is more than I can understand. Certainly we ought to finish at least this part of the bill now, and I hope the membership will remain until we do so.

The CHAIRMAN. The gentleman from Oregon is recognized for 5 minutes.

Mr. PIERCE. Mr. Chairman, the words I seek to strike from the pending bill by my amendment are, in effect, carried in the Senate bill which passed that body some time ago and is now pending in the Agricultural Committee of this House. We have held partial hearings on that bill. The Secretary of Agriculture was before us one day, at which time he explained the effect of the Senate bill, practically the same as this section which I seek to have removed. It should not appear in this appropriation bill at all, for it is solely legislative. It is a matter of great importance. I wonder why it is being pushed out just this way and why there is so much publicity given to it, and that there is such a campaign in the press from ocean to ocean. I cannot imagine what can be behind it, unless it is a group of speculators who hope to freeze this amount of cotton, wheat, and corn in the hands of the Commodity Credit Corporation so that the speculation may take the place of orderly and safe procedure. It looks wrong to me. I am suspicious of the motives behind it, not of my colleagues, of the promoters. It affects about 120,000,000 bushels of wheat, but that is enough to accomplish their purpose. That statement of amount involved was verified by the Agriculture Department. There is today on hand in the United States 875,000,000 bushels of wheat. Even if this amendment is agreed to there will be 755,000,000 bushels of free wheat, not owned by the Government, that may be sold at any price.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. PACE. The gentleman speaks of speculators. That would not be possible under this language as the prohibition is not effective until the beginning of

the next marketing year, which eliminates the speculators.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. HOPE. The gentleman says that this affects only 150,000,000 bushels of wheat. It is a fact that a considerable amount of wheat will be taken over before the 1st of July, when this amendment becomes effective.

Mr. PIERCE. Yes; but this will affect at the present time only 120,000,000 bushels of wheat.

Mr. HOPE. But by the time it went into effect they would have taken over 300,000 bushels more.

Mr. PIERCE. It seems to me this is a matter of such vital importance that it should be thoroughly debated in the Committee on Agriculture and be brought to the floor under a rule, so that we will know what we are doing.

The Senate passed a separate bill with hardly any discussion or attention, evidently without full understanding of its significance. It seems to me it is of real importance. I am afraid the whole program that we have built up for these artificial farm prices is going to break down. I appreciate what has been done for the farmer and I want to hold the gains. It seems to me, when the Government guarantees us a price on wheat and cotton, as it does through its loan value, then we ought to help the Government when it seeks to dispose of this surplus.

The surplus wheat and corn ought to go into feed and into alcohol and into channels where it can be advantageously used for the war program. There are very few places where wheat can be used as a substitute, but it can be used, and if the Government has to take a slight loss on it, it is better than to carry it as a surplus or to freeze it in Government hands. Important factors which must be considered are storage capacity and deterioration.

Mr. PACE. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. PACE. The gentleman understands an amendment has been adopted permitting its use for manufacturing alcohol.

Mr. PIERCE. Yes; I understand, but I think we ought to strike out the whole thing and bring it to this floor under a rule and discuss it.

Mr. WOODRUM of Virginia. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. WOODRUM of Virginia. This provision which is under consideration in the Senate is a provision to which the President and the Secretary of Agriculture have expressed very emphatic opposition?

Mr. PIERCE. Absolutely so; and for good reasons.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. HARE. Suppose the House, with the information it now has, should express itself one way or the other, does not the gentleman believe that would have some influence on the Committee on Agriculture?

Mr. PIERCE. It might. I think it is a matter that ought not be considered at this time. I think it has no business in this appropriation bill. The subject is pending in the Committee on Agriculture in this House right now.

Mr. HARE. Does not the gentleman think that the action of the House now would have some influence on members of the Committee on Agriculture as to how they should act?

Mr. PIERCE. The Members on this floor do not have as much information as the Committee on Agriculture has already before it. I do not believe the committee would be influenced by a vote without proper consideration.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. ARENDS. Do you think we will have an opportunity to consider this legislation through action of your committee?

Mr. PIERCE. We have had but 1 day's hearings. It has not come up since that hearing when we had the Secretary before us.

For years we have been attempting to build a sound program of justifiable and basic security for the American farmer. We have made real progress during the past 9 years. We now have the most fair and workable farm program that has yet been devised in any country. We are engaged in a war for survival as a Nation. The outcome of the war will determine the kind of lives we and our children will live. Success will depend on ample supplies of munitions and of food. We must maintain our farm program intact, as we are dependent on it for the all-out "Food for Freedom" campaign. We need it as a means of preventing the damnable spirals of inflation and the disastrous results of deflation. Without the farm program even today we would have agriculture, our greatest basic industry, relegated to a peasantry, facing the future without opportunity and without hope.

There are those among us apparently ready and willing to sabotage and destroy our farm program. There are those among us who are so greedy that, for an additional immediate income, they would, by forced legislation if necessary, start an inflationary movement on agricultural prices which would immediately spiral on to labor and goods, with results almost beyond comprehension. This Nation can never weather another depression such as we have recently been through, and retain its present form of Government. There are those among us who would, through ignorance or greed, discard our program of conserving the soil. Our soils are susceptible to exploitation unless carefully watched. What will it profit if we win the war but at its end find ourselves with agricultural lands depleted beyond recovery through a scorched-earth policy which some of our colleagues evidently fail to comprehend and envision as the inevitable result of their short-sighted proposals. I refer to those who are daily attacking the Secretary of Agriculture and his policies through the press and in the Halls of Congress. Secretary Wickard is charged with the tremendous task of maintaining food supplies, not only for our United States but for Britain

and our other allies as well. He is sincerely and honestly seeking a solution to grave farm problems. He is working for and believes in parity for agriculture. The planning is for production and stock piles to meet any emergency. Supplies of nearly every domestically produced product have been ample. Nearly 7,000,000 cooperating farmers producing to maintain adequate stock piles of all kinds of food are committed to this program.

The Department has been attacked by unthinking people for using surplus stocks of grains, accumulated in the ever-normal granary, for feed to assure additional meat, dairy, and poultry production. These stocks were removed from market channels when not needed, and stored for just such an emergency. To refuse to release these supplies now at reasonable prices is to break faith with the public and the program which made the ever-normal granary possible.

Farmers are supporting this farm program and accepting restraints and sacrifice in order to give their utmost to our Nation's effort. For many years they have actually subsidized consumers by producing food which has brought prices less than parity, actually at a loss. They are receiving parity today, and by a significant majority they are satisfied with parity. Farmers are as patriotic as any group. They have given of their sons who are desperately needed on the farms, and farmer boys are excellent soldiers. They are buying Defense bonds to the limit. They are working longer hours producing additional food so that consumers here and abroad may be assured adequate food at reasonable prices.

Last May, a favorable vote of over 81 percent was cast in the wheat-marketing quota referendum, and last December cotton producers voted favorably by nearly 94 percent in their referendum. These tremendous majorities were voted to sustain marketing quotas, placing the responsibility of caring for any surplus production squarely upon the persons who attempt to take more than their share of the market.

Farmers want the protection of commodity loan programs which remove the necessity of selling a year's production on glutted harvesttime markets. Such marketing practices and controls have for years left farmers at the mercy of speculators. Commodity-loan protection is prized highly by farmers, and they want the program retained and kept sound. They want the pledged products to be used in the best interests of the public. Should these stocks be used for political juggling, as some are now proposing to do, our farmers will protest vigorously and rightfully. Hundreds of farmers in the Pacific Northwest have voluntarily released their loan wheat to the Commodity Credit Corporation, in their desire to move the wheat into consumption before the new harvest comes. Recent estimates indicate a carry-over for July 1, 1942, of 630,000,000 bushels and a new crop is growing that will produce 100,000,000 bushels more than our requirements. These farmers know that United States prices now are twice those of any other country, and they know

enough to be satisfied with parity for wheat.

The farmers I know are alarmed at the prospect of inflation. They well remember the high prices of the last war. They remember them because of the deflation afterward that left them with high-priced land and with unbearable mortgages, with rents and costs inflated. They realized too late that inflation spelled their ruin. That is why my farmer friends and I now support the Secretary's plan to maintain fair prices for farm products. We support his plans to secure increased production of meat, dairy, and poultry products, and his plans to retain the services of the grain and milling industry by making Government grain stocks available. We are happy to have kept faith with consumers by producing adequate supplies at fair prices.

I am alarmed and disgusted by the furor which can be created in Washington by the very small minority of real farmers who, by their very greed and noisiness, make it appear they represent the majority and thereby influencing some Members of the Congress. I am alarmed lest we become influenced by this minority and, against our better judgment, allow an irreparable injustice to come upon that larger group of farmers who are so nobly producing food to win this war. Let us come to our senses before we drag into ruin and destroy a farm program that has been years in the building and has received the careful and studied thought of so many able people. In these times of stress and excitement some other plan or scheme may sound more attractive, but let us consider carefully these new schemes and their proponents. Our farm legislation has put agriculture on a sound basis and has assured parity. Let us not destroy it with hasty action dictated by enemies of the program. Let us give our support to those men and to the program that has been proven advantageous and is acceptable to agricultural producers. Let us not entrust agriculture to speculators.

Facts on the wheat supply

	Bushels
Carry-over, July 1, 1941.....	385,000,000
Production, 1941.....	946,000,000
Total supply, 1941-42.....	1,331,000,000
ESTIMATED OWNED BY COMMODITY CREDIT CORPORATION OR UNDER LOAN MAR. 1	
Owned.....	120,000,000
Under loans maturing Apr. 30.....	340,000,000
ESTIMATED DOMESTIC DISAPPEARANCE, 1941-42	
Food and commercial feeds....	505,000,000
Feed.....	110,000,000
Seed.....	65,000,000
Total.....	680,000,000
Estimated carry-over, July 1, 1942.....	630,000,000
Estimated production, 1942....	793,000,000
Estimated total supply, 1942-43.....	1,423,000,000
Estimated owned.....	350,000,000
Estimated new loan.....	350,000,000

At this time freezing or limiting the sale of C. C. C. stocks would affect but

120,000,000 out of a present supply estimated to be as much as 875,000,000 bushels. That leaves 755,000,000 bushels of free wheat which would be offered freely at 10 to 20 cents under parity.

I desire to put in the RECORD a letter from an intelligent and active wheat farmer in Oregon. This clearly sets forth the point of view of a thinking man in our section, which is financially dependent on the price of wheat:

I am writing you as a wheat farmer and make these statements for your information. I am quite concerned about the legislation that has passed the Senate prohibiting the Department of Agriculture from selling surplus commodities below parity price. Since one or two wheat farmers of eastern Oregon have voiced their protests to their legislators at Washington regarding the "feed wheat" program, I want you to know what many wheat farmers think of it. I am told that this matter has been brought before many of the eastern Oregon farmers in a series of meetings on the "feed wheat program," and that, with the exception of two men who voiced their disapproval, the farmers favored the program and did not object to the wheat being sold for feed at a price 4 cents below the loan value. Hundreds of farmers at the Wheat League meeting at Heppner in December stated in public meeting that they would be glad to let their wheat go for what they had received through the wheat loan in order to have the storage space available for 1942 wheat. Over 3,000,000 bushels of wheat has been raised in Oregon in order that Commodity Credit might have wheat and fill orders from poultry and livestock feeders.

If that bill passes and is signed by the President, this wheat will not be moved out. At the best the storage situation is going to be serious, due to heavy yields in 1941, few exports, and prospects of another good crop.

The Northwest has always had to depend on a program that would sell surplus wheat at a loss, through subsidy, in order to move surpluses. Much wheat will be needed in Russia, but would they pay parity price for wheat? Probably not, and if it is the law that none could be sold below parity, the situation would be serious. This "feed wheat" program gives the small grower who has to buy some feed, some consideration.

Some opposition to marketing quotas has been voiced on the grounds that it made wheat too high priced. The "feed wheat" program lessens that opposition. I seriously doubt if the loan program could continue for long if there can be no plan used that would dispose of wheat at less than parity. With the loan rate of 1941 and A. A. A. payments, the wheat farmer is doing fairly well. As long as the national wheat allotment is not reduced below 55,000,000 acres, and we have quotas and a loan program, coupled with whatever payments may be needed to bring parity to the farmer, the wheat farmer should have no kick. It will be hard to maintain our national wheat allotment unless we are permitted to sell surpluses below parity when such a plan is needed.

Mr. Chairman, the sentiment of Oregon wheat men is clearly expressed in two newspaper editorials, the first from the heart of our wheat section in

Pendleton, the second from our wheat marketing center in Portland.

[From the East Oregonian, Pendleton, Oreg., of February 26, 1942]

AS WE SEE IT

We note that the Senate voted against the President's request to be allowed to sell Government-owned surplus farm products below the parity level, but we are inclined to think the President's attitude was correct and the Senate wrong.

The sale of Government grain below the parity level will not necessarily hurt the growers, because their main reliance is upon the loan program and compliance payments rather than on the market. As long as present loans are made the farmers will be assured of favorable prices.

The President's request was based upon the view that livestock production can be increased by selling wheat and corn at lower than parity figures. That seems logical and there is some justification for seeking to keep meat prices within a proper range. In January the price of meat animals, taken as a whole, were 51 percent above the 1909-14 average whereas grain prices were but 3 percent above pre-World War figures.

In effect, the Senate has acted to assure farmers of something they were already assured. It seems that way at least because it will be difficult to keep a farmer from getting parity when he has loan privileges up to 85 percent of parity and can secure benefit payments that will put him over the top.

But food prices have been rising and, according to the February 27 issue of the United States News, are now 19 percent higher than a year ago. If prices continue to advance there will be a tendency to blame farmers and Congress, though the growers may not actually be getting any more than they would if the Senate had complied with the President's request.

This is a good time for people to exercise moderation, and this applies to agriculture as well as to labor.

When prices advance and wages advance there is a tendency toward inflation, and the supposed beneficiaries do not benefit as much as appears on the surface. Real prices and real wages are determined by buying power.

In Germany during the period of inflation wages and farm prices soared to tremendous heights, but that did not mean a thing to the workers or to the German farmers. Inflation did Germany more harm than did defeat in the first World War.

[From the Oregonian (Portland, Oreg.) of February 27, 1942]

UPSETTING A NATIONAL POLICY

The bill, passed by the Senate over opposition of the President, which prohibits sales at less than parity price of Government stock of farm commodities applies directly to 300,000,000 bushels of wheat, 250,000,000 bushels of corn, and 4,500,000 bales of cotton.

These stocks, held by the Commodity Credit Corporation, are commodities on which Government loans were made and not redeemed by the borrower. Which means that the Government made loans in excess of what the producer could obtain by selling the commodities in the open market.

The reported purpose of the Commodity Credit Corporation is to release the stocks of wheat for the manufacture of industrial alcohol, needed in war industries; release the cotton for manufacture of Army clothing, and release the corn for the feeding of livestock, dairy herds, and poultry.

Presumably the Government would sell at prices that would only repay the loans and carrying charges. Eighty-five percent of parity is the rate at which farm commodity loans were made in 1941, but 1938-39 corn acquired when loans were on a lower scale is now offered for feeding at less than 85

percent of present parity prices. Roughly calculated, the difference between 85 percent of parity and 100 percent of parity (parity as of January 15) is about \$125,000,000.

If the bill should be finally adopted, the Government would obtain more money for the farm commodities to which it has acquired title, but would pay correspondingly more for its alcohol and Army clothing. It may also be reasoned regarding corn that whatever profits the Government made on the sales would be used for war purposes, and though the consumer of livestock, dairy, and poultry products might have to pay more he should pay correspondingly less in war taxes.

The objection, however, rests in the presumptive effect on general market prices of wheat, corn, and cotton. Though conservation and parity payments made out of the Federal Treasury insure parity prices for the farmer, the price-control bill permits farm products to go to more than parity before a ceiling can be imposed. If Government stocks be sold at parity, the anticipated effect is the forcing of general prices above parity.

Parity price is the price that insures the farmer a purchasing power equivalent to that which he had in 1909-14. It has hitherto been accepted as fair and reasonable. During a period that would have been otherwise much harder for the farmer, a loan system was created to guarantee that farm commodity prices did not fall far below parity. Now some farm leaders in Congress refuse to accept the complementary principle that the Government shall prevent prices from rising far above parity.

Included in farm legislation is a congressional declaration of national policy. It is dual in character. It not only recognizes the right of the farmer to parity prices and parity income, but the right of the consumer to obtain an adequate and steady supply of farm products at fair prices.

The Price Control Act, and now the measure passed by the Senate, in effect strive to upset a balanced policy and give the producer undue advantage over the consumer.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an economy limitation. The gentleman from Virginia [Mr. WOODRUM], of course, would not agree with that, nor would the gentleman from New York [Mr. TABER], but I think I can demonstrate clearly that it is.

We have already passed a provision in this bill which insures to the producers of these five major commodities full parity. You voted for that. It is to be paid out of the Public Treasury if in the market price they do not receive full parity. If the Government uses its Government-owned or Government-controlled stocks so as to depress the prices of corn and wheat below parity prices, then the Government must pay for the personnel expense, to go through the form of paying out these parity payments to the corn and wheat producers, and must, of course, in addition, pay the amount of the parity payments out of the Public Treasury. But if you stop this practice on the part of the administration authorities of playing both ends against the middle by doing like the tumblebug, looking for parity in one direction and then pushing against it in the other, the producers of these commodities will receive parity in the open market, which they are entitled to have. They will not have to go through the procedure of becoming applicants for parity payments from the Government,

and the Government will not have to pay out any money from the Public Treasury in making up to them the difference between their marketing prices and the parity prices.

A great deal of talk has been had in certain quarters with regard to what this provision is going to cost the American consumer if it remains in the bill. Some people have mentioned a billion dollars, yet nobody has undertaken to point out wherein the bringing about of parity for corn and wheat will cost the American consumer a billion dollars. Of course, the others of the five major agricultural commodities are either above or substantially at parity now.

I do not represent an area that would be affected one way or the other by this provision, in all probability.

Mr. PIERCE. Will the gentleman yield?

Mr. TARVER. Not at this time. A little later I hope to. This is a provision which ought to be of particular interest to the Representatives from the corn and wheat areas of the country.

Now, here is what we tried to stop. It is set out on page 16 and the following pages of the hearings in the testimony of Secretary Wickard. He tells us what he is doing and what he expects to continue to do. I quote briefly:

Since we did have a great supply of corn on hand it seemed to me the thing to do at that time was not quickly to raise up to 100 percent of parity the price of corn and all of the animal products which are related to corn, so far as feed is concerned. I had a talk with the President about this and I also talked to Members of Congress. So today we are offering to sell corn at 85 percent of parity. In other words, frankly, we are now able to control the price by offering to sell our Commodity Credit-owned stocks.

So what the Secretary of Agriculture is proposing to do is to manipulate the corn and wheat markets. He frankly admits it.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TARVER. It is not a question of supplying legitimate needs of the consuming interests of this country for corn and wheat and for corn and wheat products. It is a question of dumping several hundred thousand bushels of corn on the market if the Secretary feels that the price of corn is going too high; and he says that if it goes over 85 percent of parity he does think it is going too high. He intends to "bear" the market before these commodities reach parity, thereby going against the very program which has been insisted upon in this country by the Congress for so many years of trying to bring about parity conditions in the market for at least these major agricultural products.

There were several gentlemen who interrupted, Mr. Chairman, and I would like to yield to them. I yield first to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. The effect of the Secretary's procedure in dumping this corn on the market below parity, at 85 percent

of parity, will be to compel larger payments out of the Treasury.

Mr. TARVER. Absolutely so. If we want to save money for the Treasury we ought to vote for this limitation.

Mr. CULKIN. And to continue the present bureaucracy in office and to keep a string on the farmers.

Mr. TARVER. I am not prepared to go to the full extent of the gentleman's implications, but I do say that to vote for this limitation is to vote for economy, because if the consuming public does not pay the farmer parity for his products under the provisions of the bill the Federal Government will, out of the Federal Treasury.

I want to say this further, if you will pardon me just a moment: We just passed a price-fixing bill. It could not have been passed except for the inclusion in that bill of what is known as the Brown amendment, providing limitations above parity for farm commodities. I say it does not make any difference who is responsible for it, it is bad faith toward the farmers of this country to secure the votes of their representatives for a bill upon the assumption that no minimum ceilings for farm commodities below the levels fixed in that bill are to be fixed by any authority, and then having not the Office of Price Administration but the Commodity Credit Corporation undertake to evade the law by the use of these Government-owned and Government-controlled farm products to keep the prices down, not only below the levels fixed in the price-fixing bill, but below parity itself.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. COFFEE of Nebraska. Will the gentleman tell us, please, what force and what influence is maintaining the present price of corn and wheat? Is it not due to the Government loan program that is being followed today?

Mr. TARVER. I venture to say that the Government loan program is having a tremendous effect in that direction; but the fact that the Government through the instrumentality of one program has enabled corn and wheat to go closer to parity than they otherwise would have does not, in my judgment, justify the Government which has tried for years to do everything it could to get parity for the farmer to stop 15 percent short of parity or any other degree short of parity. I think it is your duty and mine, and the duty of this administration, to do everything in our power to give the farmers what we promised them.

As far as I am concerned I am not going to vote against any proposition which might have a tendency in that direction.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. O'CONNOR. I want to get this clear; supposing the Government sells the surplus corn and wheat it has control of or owns for less than parity, does that relieve them in any way from making that sum up in paying parity for the price for the crops owned by the farmers?

Mr. TARVER. I have explained that if the parity price is not obtained by the farmer in the open market the Government is going to have to pay it. It is just a question of whether the consumers of corn and wheat shall pay a fair price for it or whether they shall have a part of that price paid for them by the Government.

Mr. O'CONNOR. Then there is no point in the Government selling that stuff below parity.

Mr. TARVER. I agree with the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. I compliment the gentleman from Georgia upon knowing what are the facts in this case and that if we vote to strike out this particular section we are voting to keep corn and wheat at 85 percent of parity.

Mr. TARVER. I thank the gentleman for his contribution.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, this is the most destructive amendment that could be offered. The adoption of such an amendment would bring more disastrous consequences to agriculture than any action that could possibly be taken by the predatory interests which are planning to use price control to confiscate the farmer's products at less than the cost of production.

For 2 long years we have been struggling slowly, painfully, laboriously to establish the principle of parity. And what is parity? Parity is lowest price that will keep the farmer's head above the rapidly rising cost of everything he must buy. It is the minimum price the farmer must get to barely break even with the rest of the world.

Just an even break is all he is asking. And now this amendment proposes at one fell blow to wreck the work of years and leave the farmers—the most deserving, the most faithful, and the poorest-paid group in America—without any assurance of even a decent wage for their labor or a decent standard of living for their families.

This amendment proposes to give the Secretary of Agriculture the power to sell Government stocks of farm products taken over by the Government when farmers have been unable to repay loans for which these products were security. It proposes to eliminate the provision under which these products shall not be sold at less than parity. It does not prevent the sale of these stocks, as many newspaper accounts would lead you to believe. Under this bill they can be sold freely as long as they are not sold at less than parity. As a matter of fact, there will be no trouble at all in disposing of all such stocks in record time at parity prices.

But the Secretary of Agriculture is not so much interested in selling them as he

is in selling them at less than parity. Because the price at which he sells any of them fixes the price of that particular commodity throughout the United States. Cotton is selling in the open market at 19 cents, but if the Secretary announces he is selling Government cotton at 16 cents the price everywhere drops to 16 cents, because no one will pay private owners more than the Government will take. If the price of wheat is \$1.04 in the open market and the Secretary begins to sell Government wheat at 95 cents, immediately the price of wheat is 95 cents, and nobody will pay a penny more.

It is not merely a question of the Secretary of Agriculture having this power. It is not a mere potential proposition. It is a practical matter of forcing down the price of farm products whenever the Secretary chooses to force them down, and that is what he is doing every day. He has been holding down prices below parity for months.

The Secretary of Agriculture testified both before the subcommittee on agriculture and the subcommittee on deficiencies that he had been making it a practice to sell these Government-owned stocks—not for the purpose of decreasing Government holdings but to keep down prices. The Government does not want to sell these stocks. It wants to keep them to control farm prices. All stocks could have been sold long ago at more than they cost the Government. For it must be remembered that the Government bought these stocks at 56 percent of parity and can now sell them at full parity at a clear profit. But the Secretary does not want to sell them. He is not going to sell them. He is keeping them to control farm prices and selling only in small lots just large enough to establish subparity prices. Not only has the Secretary testified he is using them for that purpose but it has been repeatedly reported in the press. For example, the United States News, one of the most reliable and most valuable publications that comes to your desk, says in its issue of February 6, 1942:

Effect of the new price-control law should not be discounted.

Tendency has been to argue that this law will prove ineffective; that its failure to permit rigid ceilings on farm prices and wages would upset it.

However, . . . Farm Secretary Wickard expects to hold corn, cotton, and wheat prices in line by sale of Government-owned stocks at or below parity.

The effect is shown in the following release from the Associated Press:

FARM PRICE INDEX DECLINES TO 1 PERCENT BELOW PARITY LEVEL

The general level of local market prices of farm products declined four points during the month ended February 15, the Agriculture Department reported yesterday.

This downturn dropped the farm price index 1 percent under parity with prices of nonfarm products.

Poultry products led the decline with a loss of 12 points. Substantial reductions also were reported in prices of truck crops and tobacco. The fruit price index was 4 points lower, and dairy product prices were down 1 point.

The Department said the general level of prices paid by farmers for commodities continued to rise during the month, with greatest advances reported in prices for food, clothing, and feed.

Let me appeal to the House's love of fair play—to its traditional sympathy for the under dog. More is being asked of the farmer than of any other group and less is being paid him. They are asking him to produce huge supplies of food and at the same time taking from him both labor and machinery. The draft and the exorbitant wages paid by war plants have stripped the farm of all except the children and the aged. Machinery to take the place of labor cannot be secured or is available only at prohibitive prices. They are demanding that the farmer make bricks without straw.

Notwithstanding these almost insurmountable handicaps he is delivering the goods. He is contributing more than his share toward the winning of the war. There are tragic bottlenecks in the production of planes, guns, and tanks. There are costly bottlenecks in their transportation to the front. But there are no bottlenecks on the farm. The farmers are delivering every ton of food required of them and delivering it on time. Be it said to their everlasting glory, the farm group is the only group in America today that is functioning 100 percent in the program laid down for winning the war.

And yet, the farm group is the poorest paid group in the Nation today. While industry is charging the highest prices ever paid for production facilities—while labor is receiving the highest wage scale in the history of the world, while transportation is levying the highest tariffs ever exacted—the heavy hand of the price-fixer and the market-rigger is laid on the farmer and he is denied even the parity guaranteed him under the law.

Most significant of all, the farmer is the only group to voluntarily accept a reduction of income. The sky is the limit in wage scales but the farmer, speaking through his farm organizations, has agreed to accept bare parity both of wages and income. Whereas he received 35 cents for cotton, \$24 for hogs, \$2.40 for wheat and similar prices during the last war, he is agreeing to accept less than half those prices now although every other group in the Nation is getting twice what they got in the last war, and he is doing the finest job of all.

If there is a word of commendation to be said for anybody, who is better entitled to it than the farmer? And yet—as incredible as it may seem—he is being maligned and abused and misrepresented and kicked about without mercy. Every metropolitan newspaper is filled with vituperation and abuse of the farmer. He is branded as selfish, greedy, and grasping. The price of every industrial product in the United States has advanced in the last year but nothing is said about selfish, grasping, or greedy manufacturers. The wage scale of every labor group has doubled, but no newspaper applies such opprobrious epithets as are daily applied to the farmers. The railroads recently received a rate in-

crease of 10 percent and not a paper abused them. But the farmers—doing more and getting less than any of them—are pilloried as racketeers and profiteers by the patrioters who want to live at their expense.

Now I want to be charitable. I believe it is the result of misinformation. In some notable instances I am certain that is the case. For example, the President of the United States a day or two ago is said to have expressed the opinion in a press conference that to give the farmer parity would increase the cost of food to consumers a billion dollars. It has been my privilege to cooperate with the President in his farm program ever since the crucial days of 1933 and I have on more than one occasion inserted in the RECORD personal letters from the President declaring his approval of progressive agricultural programs. It is evident he has been misinformed. Farm parity will not cost consumers either a billion dollars or any comparable part of a billion dollars. Such statements are fantastic in the extreme, as indicated by the accompanying correspondence between Senator BANKHEAD, of Alabama; President O'Neal of the American Farm Bureau Federation, and the Department of Agriculture:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
March 4, 1942.

MR. EDWARD A. O'NEAL,
American Farm Bureau Federation,
Washington, D. C.

DEAR ED: I requested the Department of Agriculture to send me the statement prepared by them upon which Secretary Wickard and the President stated that the increased cost to consumers on food would be a billion dollars if S. 2255 became a law. I have received the statement and am enclosing you copy of it. Have you got anybody who can analyze this statement and demonstrate its unsoundness? It seems to me absurd that the difference between 85 percent of parity and the parity price in corn and wheat would bring about a difference of 5 percent annually in the total cost of the food bill.

If you develop any helpful information please let me have it.

Sincerely yours,

J. H. BANKHEAD.

[Enclosure.]

ESTIMATES OF EFFECTS UPON FOOD COSTS TO CONSUMERS WHICH WOULD RESULT FROM PROHIBITION OF COMMODITY CREDIT CORPORATION RELEASE OF WHEAT AND CORN STOCKS AT PRICES BELOW FULL PARITY EQUIVALENT

(S. 2255, MR. BANKHEAD; H. R. 6564, MR. HARRINGTON; February 9, 1942)

The provisions of S. 2255 and H. R. 6564, prohibiting the sale of any agricultural commodity held by the Commodity Credit Corporation below full parity price, would be held principally in wheat and corn. Wheat prices could rise about 11 percent above present levels before Commodity Credit Corporation release sales would be permitted. Corn prices could rise 17 percent with effective prohibition on sales by the Corporation.

The rise in corn prices would be felt strongly in costs of feed for livestock and dairy production. These increased feed costs would severely retard our progress toward production goals in certain farm products unless offsetting rises in prices of meat, dairy, and poultry products should occur. Assuming corn prices rise by 17 percent and wheat

prices by 11 percent, these offsetting price rises may be estimated as of January 15, 1942.

The price of hogs would have to rise by 17 percent—from \$10.55 to \$12.35—in order to maintain the present corn-hog feed ratio and maintain present progress toward production goals.

To maintain present rates of corn feeding of beef cattle, prices of finished classes would have to rise substantially, with a probable increase of 5 percent in the farm price of all beef cattle—from \$9.77 to \$10.25.

To maintain progress toward the production goals the farm price of dairy products would have to advance about 10 percent, and farm prices of poultry and eggs should rise by 13 percent.

In the cost of raw-food materials these price increases would amount to 3.4 cents per pound for retail pork products, 1 cent per pound for beef cuts, 20 cents per hundred-weight for milk used in dairy products, 2.2 cents per pound for dressed chickens, 4 cents per dozen for eggs, 0.3 cent for the wheat used in a pound of flour, and 0.2 cent for the wheat in a pound of bread.

The price increases which would be needed to keep our production goals program in balance under the terms of the proposed bill would result in higher food costs to consumers. We estimate the resulting rise in national annual food costs to consumers would exceed \$1,000,000,000, or an increase of nearly 5 percent in the total annual food bill.

MARCH 6, 1942.

HON. JOHN H. BANKHEAD,
United States Senate, Washington, D. C.

DEAR SENATOR BANKHEAD: In response to your request for my comments on the Department of Agriculture's statement that enactment of S. 2255 would increase food costs by one billion dollars, I submit the following:

The Department estimates that S. 2255 would permit prices of wheat and corn to rise by 11 and 17 percent, respectively. Unless these increases were pyramided outrageously in the channels of distribution into excessive retail prices, there is no reason whatever to assume that the resulting increase in the Nation's food bill would amount to more than a small part of a billion.

The Department has stated that hog prices would have to increase by 17 percent in order to recompense hog feeders for the increased corn price. I challenge this assumption. On February 15 the average farm price of hogs was \$11.64 per hundredweight and the parity price of corn was 94.4 cents per bushel. In other words, 100 pounds of live pork would pay for 12.3 bushels of corn at the parity price. The historic corn-hog feeding ratio is only 11.5 bushels of corn to 100 pounds of pork. In other words, hog feeders are satisfied when 100 pounds of live pork pay for 11.5 bushels of corn. Therefore, it is apparent that no increase in hog prices whatever would be needed to maintain a satisfactory feeding ratio. It should be noted furthermore, that hog prices have increased materially since February 15.

It should be remembered that 75 to 80 percent of the corn grown is fed on the same farm that produces it. A change of a few cents a bushel in the corn price would, in itself, have only slight effect on the volume of meat, dairy, and poultry products produced on these farms. Anybody who has grown up on the farm knows that any statement to the contrary is ridiculous.

As far as wheat is concerned, let us remember that a bushel of wheat produces at least sixty-two 1-pound loaves of bread. Everybody knows that the price of the wheat is only a minor factor in determining the cost of a loaf of bread.

However, the important question at issue is not the amount of the increase in food prices that might result from enactment of

this bill. The real question is whether or not the farmers are entitled to the increased prices (parity prices) for wheat and corn that would result. On that point, may I call your attention to the fact that for nearly 10 years the present administration has pursued a national farm policy designed to restore farm prices to parity in order to assure for farmers a fair share of the national income. The parity concept is written into the law of the land in several pieces of legislation. In the face of this fact, it is difficult to understand why the administration should now deliberately plan to dump surpluses on the market at less than parity prices in order to prevent wheat and corn prices from rising to parity.

To argue that S. 2255 should not be enacted because it would lift food prices is simply another way of saying that farmers are not entitled to parity prices. If that is the official attitude of the administration, farmers would like to know it.

In the past, when less-than-parity prices for farm commodities have prevailed, farmers have asked for and have received Government payments to partially bridge the gap between market prices and parity. The result was near parity for the farmer and low-priced food for the consumer. That arrangement was the best that could be devised at the time; but now, when consumers have higher incomes than ever before in history, there is no valid reason for the Government to pay part of the consumer's food bill in this way. The Federal Government today needs every tax dollar it can raise to fight the war; therefore it is imperatively necessary to eliminate the need for farm parity payments by giving the farmer full parity in the price he receives for his commodities.

If the provisions of the price-control law are made effective, it will be impossible for the farmer to get excessive prices. If retail food prices are permitted to rise unduly, it will be because of excessive distribution costs. Certainly such a development cannot be blamed on the farmer. If the most optimistic forecasts are realized for this year, the 25 percent of the population which is engaged in agriculture will receive only about 12 percent of the national income. Can any reasonable man say that this share is too great?

In summary, I will say: First, that, in my opinion, the enactment of S. 2255 would not result in an increase of a billion dollars in retail food prices unless the resulting increases in the price received by the farmers are grossly and unfairly pyramided in the channels of distribution; second, that farmers are rightfully entitled to the parity prices that would result; and third, that consumers are abundantly able to pay the small increase in food prices that would be justified by a few cents' increase in wheat and corn prices.

Sincerely yours,

EDW. A. O'NEAL,
President, American Farm
Bureau Federation.

But why this sudden interest in the consumer. The consumer has been much harder hit many a time before and no public notice taken of it.

When railroad rates were increased 10 percent a few days ago—although for the month of January the net income of class I railroads was 30 percent more than the same month last year, not a word was said about what the cost would be to the consumer, although it was heavy.

When the wage-and-hour bill and the labor relations bill were passed—and I voted for both of them, and will continue to vote for them—no interest was taken in their effect on the consumer and no public statements relative to the consumer were forthcoming.

Last week the price of soda crackers at the local groceries was raised from 10 cents a box to 12 cents a box—an increase of 20 percent. There is nothing in a cracker but flour and water with a little salt and soda. The only appreciable constituent is wheat. But the farmer receives less than 2 cents for the wheat in a box of crackers. The farmer got nothing out of that extra 2 cents charged the consumer. The entire 20 percent increase went to industry. And yet nothing appeared in the press about the cost to the consumer.

Will somebody explain why it is that nothing is said when industry, labor, and transportation increase the consumer's costs 200 percent of parity but the welkin rings when the farmer, carrying his heavy load faithfully, dependably, and patriotically, asks for bare parity.

And now, after we have legislated for every other group, after the Congress has provided legislative floors for wages and has, by law, guaranteed returns on capital investments, this amendment seeks to take from the farmer his one wee lamb—legislative recognition of parity. That recognition must be preserved at all cost. Agriculture must cling to parity as a woman clings to her virtue. If the principle of parity is lost all is lost, and after the war will come the deluge. We appeal to the House to render one pitiful service to the underdog and help us defeat this amendment.

[Here the gavel fell.]

MR. COFFEE of Nebraska. Mr. Chairman, I am taking the floor to support the amendment offered by the gentleman from Oregon [Mr. PIERCE]. His amendment would strike from the bill the following language:

That none of the funds made available by this paragraph shall be used for administrative expenses connected with the sale of Government-owned stocks of farm commodities at less than parity price as defined by the Agricultural Adjustment Act of 1938.

This prohibition will not accomplish the results the sponsors hope to obtain because this is a restriction on administrative expenses only. We all know that the Department of Agriculture may transfer funds for this purpose from one bureau to another. I am just as anxious as the gentleman from Missouri is to have the farmers receive parity prices for their products. We differ as to the means of obtaining that objective.

We have a very large surplus of wheat, corn, and cotton in this country. The present price levels have been maintained only because of the Government price-supporting loan program. I sponsored in the Committee on Agriculture last year the amendment to the marketing quota bill which resulted in mandatory loans by the Commodity Credit Corporation of 85 percent of parity on corn and wheat and the other basic agricultural commodities. This loan program has raised the price level on wheat from 56 percent to more than 90 percent of parity. This loan program has increased the farm income in my State by many millions of dollars. I want this loan program to continue, but how can we ask the Commodity Credit Corporation to support the prices on these surplus commodities without

giving them some latitude in disposing of stocks that they acquire?

If the sale of Government-owned stocks of farm commodities is prohibited at less than parity price, all exports of wheat and flour from this country will stop. Domestic millers can purchase Canadian wheat for less than 60 cents a bushel. This wheat can be ground into flour under bond and exported without paying any import duty. Since there is a large surplus of wheat in Canada and Argentina as well as in the United States, and since the price of wheat in Argentina and Canada is much less than the Government-supported price in the United States, it stands to reason that wheat and flour to be exported must be subsidized. The chief problem confronting the corn and wheat grower is to facilitate the orderly liquidation of the surplus that has accumulated in the hands of the Commodity Credit Corporation and to prevent a reenactment of the Farm Board fiasco.

Unless we can move an increased quantity of wheat and corn into export, livestock, and poultry feed channels, or into industrial alcohol or some other industrial use, we will not have storage facilities to take care of this year's crop that will soon be coming into the market. With all of this surplus on hand, we are in no position to force artificially higher prices.

It should be understood that 90 percent of the corn is marketed through livestock. Most farmers are more interested in the price of hogs, lambs, and cattle than they are in the price of corn itself. Corn is purchased from one farmer and sold to another. Since Congress has authorized Mr. Henderson, under the price-control law, to place a price ceiling on livestock and livestock products at approximately prevailing prices, I am very fearful that any artificial price boost that is given to corn at this time would invite Mr. Henderson to "crack down" on livestock prices. The lamb feeders are making no money and the cattle feeders are making a little money with the present price differential between corn and fat cattle. Should a price ceiling be placed on cattle, hogs, and lambs, the result would be very harmful to the livestock industry and, in my opinion, would curtail the production of meat. If rationing cards followed the establishment of price ceilings, it would reduce the consumption of meat. All of this would be very disastrous, not only to the livestock feeder but to the corn producer and the consuming public as well.

If the present loan base can be maintained, and if we will allow the economic laws of supply and demand to eliminate this surplus wheat and corn, I am convinced it will be to the best interests of the farmers in the long run.

[Here the gavel fell.]

MR. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

MR. FOAGE. Reserving the right to object, Mr. Chairman, I have no objection to the gentleman's proceeding for 3 additional minutes, but I should like to know if some of the rest of us will get a chance to proceed for at least 3 minutes.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, may I ask the gentleman when we may expect the Committee to rise. There are about 50 Members here who want to discuss this matter, and obviously we cannot finish the consideration of the bill tonight.

Mr. TARVER. I may say to the gentleman that while quite a number of gentlemen apparently want to talk, we had about three and a half hours of debate on substantially this same question, and I was hopeful that the Committee might be willing to vote to close debate on this amendment at 6 o'clock. I do not know whether they will or not, but after the gentleman has concluded his speech I intend to move that debate on this amendment close at 6 o'clock, and we will see then whether or not the House wants to stay here until late in the evening.

Mr. MARTIN of Massachusetts. Will the gentleman accept an amendment when he offers his motion that the Committee rise immediately?

Mr. TARVER. I do not think that would be in order, but I am sure the gentleman is willing to do whatever the Committee wants. I expect to offer the motion and let the House express its wishes in the matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, if the Pierce amendment is agreed to, it will eliminate the Reed amendment. Also, if the Pierce amendment is adopted, there will be no restrictions that would prevent the Commodity Credit Corporation and the Agricultural Marketing Administration from doing everything that is permitted under the Reed amendment.

To freeze these Government stocks of grain involves a great many economic problems and such legislation should not be attached to an appropriation bill. This legislation is a matter for the Committee on Agriculture to consider, not the Appropriations Committee. The Committee on Agriculture has already held 1 day's hearing on this so-called Bankhead bill and has jurisdiction over legislation of this nature. It is in a position where it can consider and perfect legislation whereas the Appropriations Committee has tried to handle this entire question in five lines, all predicated on the theory that no funds would be made available for administrative expenses connected with the sale of Government-owned stocks of farm commodities at less than parity price.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Yes.

Mr. O'CONNOR. Is it the gentleman's construction of this provision sought to be stricken out that funds may be transferred from some other source and this grain disposed of at less than parity?

Mr. COFFEE of Nebraska. Yes. If the administration wants to carry out the present program they can do it in spite of this prohibition. This is only a limitation on the funds available under this paragraph for administrative expenses.

Funds may be transferred from one bureau to another—administration expenses could be paid out of the President's emergency funds.

Mr. O'CONNOR. In other words, they could take the funds from some other source.

Mr. COFFEE of Nebraska. That is correct. If there were no price-control law and Mr. Henderson had not been given authority to crack down on livestock prices as of December 15, we might find some justification for freezing Government stocks of grain at parity. However, I know that the O. P. A. has been giving serious consideration lately to placing a price ceiling on livestock and livestock products. I want to avoid such a blow if possible. I am very fearful that any attempt to freeze corn prices at parity would be a stimulus for a sudden increase in the price of hogs particularly. If this should occur that would encourage the establishment of price ceilings on all livestock and livestock products. This in all probability would be followed by rationing of meat. Neither rationing nor price ceilings on livestock will be necessary in my opinion, if economic laws are allowed to function.

We now have more cattle in the United States than we have ever had in history. Before the year is out we will have an all-time record number of hogs. If the law of supply and demand is given a little time there will be no need for a price ceiling on meat, and most of this surplus grain will find an outlet through livestock feed channels.

The Secretary of Agriculture has encouraged the production of meat, dairy, and poultry products to meet the demands of the war. He is a practical farmer and is opposed to freezing these Government stocks of grain at parity. I am convinced that the Secretary has taken a position that will be of greatest benefit ultimately to the farmer.

I hope in our zeal to aid the farmer that we will not do anything that will place him in the light of asking for or expecting something that is not fair and reasonable. I hope the Pierce amendment will be agreed to.

Mr. TARVER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 6 o'clock.

The question was taken, and on a division, demanded by Mr. TARVER, there were—ayes 56, noes 86.

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 6709) the agricultural appropriation bill, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks and insert in the Record a letter from the Secretary of Agriculture to Senator HARRY F. BYRD.

The SPEAKER. Is there objection? There was no objection.

Mr. WENE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include three telegrams.

The SPEAKER. Is there objection? There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that in revising my remarks made this afternoon, I may include a letter from a prominent man in Oregon, and two editorials.

The SPEAKER. Is there objection? There was no objection.

THE LATE HENRY CROSBY ALLEN

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and extend my remarks.

The SPEAKER. There is a special order for today if the gentleman from Michigan has no objection.

Mr. ENGEL. Mr. Speaker, I have no objection to the gentleman from New Jersey proceeding.

The SPEAKER. Is there objection? There was no objection.

Mr. CANFIELD. Mr. Speaker, burial services were held this afternoon in Paterson, N. J., for the late Henry Crosby Allen, who was a Representative in the Fifty-ninth Congress, 1905-7. He was called away last Saturday at the age of 69.

Mr. Allen served one term in the Congress, leaving on the day the Fifth Illinois District sent to Washington as its Representative ADOLPH J. SABATH, present dean of the House. The New Jerseyman's district, known as the old Sixth, embraced all of the Eighth which I now represent, and a large part of the Seventh, now represented by our distinguished colleague, J. PARNELL THOMAS. One of Representative Allen's colleagues was Clarence Van Duzer, of Nevada, who also left the House in 1907, and is now one of my best friends and constituents.

Representative Allen was here in what he chose to call the horse-and-buggy days. There were no House Office Buildings and the Members performed their office work in their respective hotels or houses. Chairman of committees alone had room space on the Hill. By sufferance a few colleagues wrote letters in these rooms. Increasing mail and demands of constituents resulted in the erection of the old House Office Building first to be used by the incoming Members of the Sixtieth Congress.

Mr. Allen attended Paterson's public schools. He was graduated from Yale in 1893 and from the New York Law School in 1895.

Short and rotund, jovial in nature, always ready with a story in point, he was ever popular with his fellowmen. Although he had not been in the best of health, he returned to the political wars in 1922 when he espoused the cause of the late Representative George N. Seger, whom it was my privilege and pleasure to serve as secretary for 18 years. Representative Seger recommended Mr. Allen for the Paterson postmastership in 1926 and he served under Presidents Coolidge

and Hoover, the new Paterson Federal Building being erected during his term of office.

Mr. Allen liked people and those he served as an attorney, Congressman, and postmaster, remember him for his smiling attitude, his friendly and reassuring way. He sought to do something every day to add to the sum of human happiness, subtract from the sum of human misery.

"I'll miss Henry," is a much repeated expression from folks in all walks of life on the streets of Paterson today.

I join the legion of mourners in the loss of this lovable American gentleman.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. MARTIN of Massachusetts. For the purpose of conferring about the program tomorrow, as I understand there has been some change.

Mr. McCORMACK. Mr. Speaker, yes. Tomorrow the bill increasing the debt limit will be brought up first. After that the military civil functions bill will be considered, and if the Rules Committee should reduce the period of debate on the Dies resolution from 3 hours to 1 hour, that will follow tomorrow. I doubt, however, that that will be reached tomorrow. It will then be taken up on Wednesday. This bill will come after that, and after the agricultural bill we will take up the Rogers bill.

Mr. MARTIN of Massachusetts. And that will probably be taken up on Thursday?

Mr. McCORMACK. It will be taken up after the agricultural bill is disposed of.

Mrs. ROGERS of Massachusetts. Will it surely be brought up this week?

Mr. McCORMACK. Yes.

Mrs. ROGERS of Massachusetts. The War Department is very anxious to have these women get into training.

Mr. McCORMACK. I am aware of that. I talked with General Marshall myself and put a letter from him into the Record. I think the gentleman from Massachusetts will concede that I have been cooperating with her in every way possible. I regret that the bill has not been brought up for consideration before.

Mrs. ROGERS of Massachusetts. They are very anxious to train these women.

Mr. McCORMACK. I understand that.

EXTENSION OF REMARKS

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include an editorial.

The SPEAKER. Is there objection? There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, on Friday next, after the disposition of all legislative matters and any special orders heretofore granted, I ask unanimous consent to speak for 30 minutes.

The SPEAKER. Is there objection? There was no objection.

EXTENSION OF REMARKS

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my remarks and include a newspaper clipping from the New York Daily Mirror of March 7, 1942.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to insert in the Appendix a letter and resolution adopted by the Forty and Eight Club of Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(By unanimous consent Mr. BATES of Kentucky was granted permission to revise and extend his own remarks.)

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars, in one to include a radio address entitled, "We will work to win," delivered over the National Broadcasting Co.; and the second to include a copy of a pledge sent to the President of the United States by 500,000 men signed yesterday.

The SPEAKER. Without objection, the request of the gentleman is granted.

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include two telegrams.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a resolution recently adopted by the mayor and the board of aldermen of the city of Gretna, La.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks made in Committee of the Whole and to include certain correspondence by Senator BANKHEAD of Alabama.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHAPMAN. Mr. Speaker, during the discussion of the Department of Agriculture appropriation bill on Saturday, pertaining to the item providing expenditures of funds for the Tobacco Inspection and Tobacco Stocks and Standards Acts, several references were made by some of the other members to a letter which was written to me on March 4 by Mr. C. W. Kitchen, Associate Administrator of the Agricultural Marketing Administration. This letter throws a great deal of light on the subject that was under discussion, and until I saw the Record today I was under the impression it had been included in the remarks of one of the other gentlemen who discussed the amendment.

I ask unanimous consent to extend my remarks by including the letter in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TRANSPORTATION FOR DEFENSE EMPLOYEES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, a very real problem has arisen already in certain parts of the country, particularly the section I come from, due to the automobile and tire shortage, and the effect of these on the transportation of workers to defense factories such as the aircraft factories in southern California. I would like to suggest to those who have such problems in control the possibility of the use of some of the hundreds of busses now used on routes that simply parallel transcontinental railroad lines, which could be diverted for what this more necessary function, of transporting war industry workers who have no longer any adequate means of transportation, or shortly will not have such means, to their work.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances and include in each a newspaper editorial.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. ENGEL] is recognized for 20 minutes.

BROKERS' FEES ON SUBCONTRACTS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a part of a proxy statement by the Hayes Aircraft Corporation, and a newspaper clipping.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ENGEL. Mr. Speaker, I desire to call the attention of the House to another instance of brokerage or payment of a commission for the obtaining of a defense contract. We have heretofore discussed and investigated mainly the contracts between the Government and the prime contractor. We have not heretofore investigated nor gone into, I believe, the thousands of subcontracts for defense materials existing between subcontractors and prime contractors. Any commission paid in obtaining these subcontracts must of necessity be added to the cost of the prime contractor who contracts with the Government. In figuring the percentage of profit the prime contractor figures his percentage of profit on the total cost of his subcontracts. These costs to him include commissions paid by the subcontractor in obtaining business. In other words, the taxpayer is paying not only a commission on the subcontract, but a profit on commissions.

Mr. Speaker, I have before me a case of brokerage or payment of a commission for the obtaining of this type of a defense contract. A part of the facts is stated in a proxy statement of the Hayes Manufacturing Corporation, Grand Rapids, Mich., signed "By order of the

board of directors, Theodore E. Dean, secretary, dated Grand Rapids, Mich., December 17, 1941." Paragraph 4 of this proxy statement explains an agreement between the Brewster Aeronautical Corporation of Long Island City, N. Y., which is engaged in the manufacture of bombers for the United States Navy as prime contractor with the Hayes Manufacturing Corporation of Grand Rapids, Mich., as subcontractor. There is mentioned in this paragraph a Hayes Aircraft Accessories Corporation, which, according to the Standard Corporation Record, is the exclusive sales agent for the Hayes Manufacturing Corporation. Paragraph 4 is an explanation to the stockholders as to just what the deal was between these three corporations and reads as follows:

Hayes Aircraft Accessories Corporation has no connection whatever with Hayes Manufacturing Corporation except in its status as sales agent for the latter. In this capacity it obtained for the corporation a contract with Brewster Aeronautical Corporation for the manufacture of outer wing panels for the Brewster model 340 bomber. For obtaining this contract it has received a commission of 5 percent. Compliance with certain conditions precedent was required by Brewster Aeronautical Corporation of Hayes Manufacturing Corporation to render effective this contract, among which were (a) that the corporation make such changes in and additions to the directorate and executive personnel of the corporation as in the judgment of Brewster would reasonably assure satisfactory performance of the contract by the corporation and (b) that F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda acquire for retention for a reasonable period of time a stockholding interest in the corporation of not less than 100,000 shares in the aggregate to insure performance of the contract by the corporation.

The election of John Nickerson and Sylvan Oestreicher to the board of directors was accepted by Brewster as satisfactory compliance with 4 (a) above.

F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda purchased from the corporation 100,000 shares of its common stock (one-third each) in compliance with 4 (b) above. By this purchase F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda, considered as a group, are the owners of 11.4 percent of the issued and outstanding common stock of the corporation. F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda are the sole stockholders of Hayes Aircraft Accessories Corporation, which corporation does not own either of record or beneficially any securities of the corporation. The corporation is advised that Brewster Aeronautical Corporation does not own either of record or beneficially any securities of the corporation.

The facts disclose the following:

First. The Brewster Aeronautical Corporation is a New York corporation manufacturing airplanes and particularly bombers. According to the Bureau of Supplies and Accounts of the Navy Department this corporation was awarded up to February 13, 1942, 13 contracts by the Navy aggregating \$20,643,167.02.

Second. The Hayes Manufacturing Corporation, of Grand Rapids, Mich., is a Michigan corporation reorganized several times, but had outstanding according to the Standard Corporation Record, on March 31, 1941, 774,664 shares of common stock of the par value of \$2 with an authorized capital stock of 2,000,000 shares.

The capital stock was increased on December 15, 1939, from 500,000 to 1,000,000 shares. It was further increased on March 10, 1941, to 2,000,000 shares of stock.

Third. The Hayes Aircraft Accessories Corporation was organized under the laws of the State of New York on April 12, 1940, with address at 6 East Forty-fifth Street, New York City, and according to a letter from the Secretary of State dated February 25, 1942, the amount of capital stock was 200 shares of no par value. The statement contained in the proxy statement of the Hayes Manufacturing Co. is that F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda are the sole owners of the Hayes Aircraft Accessories.

Mr. Speaker, in tracing this matter down I find that the Hayes Aircraft Accessories Corporation is in fact not an accessories corporation, but a sales corporation. I find that F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda are the principal officers, directors, and sole stockholders. This corporation holds an exclusive sales contract with the Hayes Manufacturing Corporation of Grand Rapids, Mich. Under this contract, dated June 28, 1940, the Hayes Aircraft Accessories Corporation agrees to bear the sales expenses necessary in the procurement of acceptable orders covering aircraft parts for the Hayes Manufacturing Corporation. In return for this the Hayes Aircraft Accessories Corporation is entitled to add to all quotations a sales commission not exceeding 10 percent with the condition that in order that the gross price quoted shall be competitive the Hayes Aircraft Accessories Corporation shall reduce its sales commission from 10 percent to a figure not below 5 percent. As stated before on December 30, 1940, the Brewster Aeronautical Corporation gave a subcontract for outer wing panels for the Brewster Model 340 bomber to the Hayes Manufacturing Corporation in the sum of \$5,000,000. A statement filed with the Securities Exchange Commission by the Hayes Manufacturing Corporation indicates that through September 30, 1941, this concern, that is, the Hayes Manufacturing Corporation, paid commissions on contracts in the sum of \$223,080 for the sale of aircraft parts. These commissions were undoubtedly paid to the Hayes Aircraft Accessories Corporation.

I have information that as of January 22, 1942, the Hayes Manufacturing Corporation had unfilled and pending orders for aircraft subassemblies amounting to approximately \$12,200,000 more. Under this contract with the Hayes Aircraft Accessories Corporation, that corporation will receive a minimum of 5 percent or an additional \$610,000 commission. In other words, here we have three individuals, F. William Zelcer, Alfred J. Miranda, Jr., and I. J. Miranda, sole owners, officers, and directors of a corporation organized on April 12, 1940, with 200 shares of no-par-value stock who will receive a total of at least \$860,000 commission on defense subcontracts from one subcontractors, plus 11.4 percent of the profits of the subcontracting corporation.

Paragraph 6 of the proxy statement sent out to the stockholders by the Hayes Manufacturing Corporation reads in part as follows:

Mr. R. W. Clark became president and director of the corporation on February 3, 1941, and on March 10, 1941, was reelected to both offices. Mr. Clark is entitled to receive, for services as president of the corporation from January 1, 1941, through September 30, 1941, the sum of \$13,500, plus an amount to be determined as set forth in the next succeeding paragraph. Said aggregate sum constitutes one of the three highest amounts paid by the corporation to its officers, directors, and employees during said fiscal year.

Under a contract between the corporation and R. W. Clark, dated December 16, 1940, providing for the terms and conditions upon which R. W. Clark is to render services to the corporation as its chief executive officer, he is entitled to receive, in respect of the corporation's fiscal year ending September 30, 1941, a stated salary of \$13,500. Under said contract he is also entitled to receive nine-twelfths of the aggregate of 2 percent of the net profits up to \$500,000 arising from the operations of the corporation for the calendar year ending December 31, 1941, plus 2½ percent of the amount by which said net profits exceed \$500,000, but do not exceed \$750,000, plus 3 percent of all net profits in excess of \$750,000. Net profits are to be determined in accordance with settled and applied accounting practices before deduction of any and all Federal and State taxes except local, real and personal property taxes, but after deduction of charges for depreciation. Mr. Clark is also granted an option in this contract to purchase (a) all or any part of 9,000 shares of the corporation's common stock at \$4 per share, exercisable 90 days after December 31, 1941, if in the corporation's employ on that date, (b) all or any part of 8,000 shares of the corporation's common stock at \$5 per share, exercisable 90 days after December 31, 1942, if in the corporation's employ on that date and (c) all or any part of 8,000 shares of the corporation's common stock at \$6 per share, exercisable 90 days after December 31, 1943, if in the employ of the corporation on that date. The market value of the corporation's common stock on December 16, 1940, was \$3.375 per share. None of said options has been exercised.

As of the present date the corporation has 875,000 shares of \$2 par value common stock issued and outstanding.

I call attention to the fact that under the contract between the Hayes Manufacturing Corporation and R. W. Clark, as president, Mr. Clark is to receive in addition to his salary of \$13,500, nine-twelfths of the aggregate of 2 percent of the net profit up to \$500,000, 2½ percent of the net profit over \$500,000 to \$750,000, plus 3 percent of all net profit in excess of \$750,000, net profits to be determined before the deduction of any and all Federal and State taxes, except real and personal property taxes.

Under this provision, the commission paid Mr. Clark in addition to his salary, being deducted before the figuring of Federal income taxes, exempts that commission from the highest bracket corporation surtax and places it into the lower bracket individual surtax. Let us assume that the net profit of the corporation before payment of Federal taxes was \$1,050,000, the corporation would have to pay the Federal Government 75 percent of the excess over \$1,000,000 or 75 percent of the \$50,000. If that \$50,000 were paid as commission to Mr. Clark or

other officers of the corporation, that \$50,000 being deducted before the corporation pays its taxes would not be subject to that 75 percent tax, but would go into the individual income tax of Mr. Clark or other officers drawing that commission and being subject to a much lower surtax. Undoubtedly the purpose of the provision is to get around the large corporation surtax levy.

I call attention to an article from the New York Times, dated Friday, February 27, 1942, which reads as follows:

**BREWSTER DEFENDANT IN \$10,000,000 SUIT—
AERONAUTICAL CORPORATION STOCKHOLDER
SEEKS TO RECOVER LOSS**

A stockholders' accounting suit against officers and directors of the Brewster Aeronautical Corporation and other defendants, for recovery of losses alleged to exceed \$10,000,000, was disclosed yesterday in Supreme Court when Justice Carroll G. Walter signed an order for examination of certain defendants before trial. The plaintiff, Magda Bysheim, was listed in the papers as owner of twenty-five shares.

The suit named as defendants nineteen individuals, the Brewster Export Corporation, Miranda Bros., Inc., and Hayes Aircraft Accessories Corporation. The individuals included James Work, head of Brewster Aeronautical, and Alfred J. Miranda, Jr., head of Miranda Bros., aircraft exporters. The complaint declared that the Miranda interests owned stock in Brewster Export and dominated officers and directors of Brewster Aeronautical through substantial stock ownership in that corporation.

The complaint charged that the Mirandas influenced Brewster Aeronautical to make Brewster export its sole sales agency and to give it "excessive commissions," even on sales not negotiated or consummated by Brewster Export. The complaint charged further that Brewster Aeronautical refused to purchase from concerns not represented by Brewster Export or the Mirandas as sales agents, and that through the Mirandas, Brewster Aeronautical gave orders for airplane parts to the Hayes firm on a non-competitive basis.

The defendants entered a general denial and specifically denied any wrongdoing.

I have not had an opportunity to check on this phase of the question. All I know is what is contained in this article. Apparently, the same type of commission that is being paid to the Hayes Aircraft Accessories Corporation is being paid to the Brewster Export Corporation and Miranda Bros., Inc., on all production for export of the Brewster Aeronautical Corporation.

I am wondering to what extent the United States Government is being affected through its lend-lease operations with our Allies in this war by the commission agreements above referred to.

This whole matter ought to be thoroughly investigated and exposed.

CONCLUSION

I wish to state that I have discussed this matter with Under Secretary of War, Robert P. Patterson. While very little war-contract fees are involved, I know Mr. Patterson will see that the illegitimate practices will be eliminated. I have also taken up the matter with Secretary of the Navy, Frank Knox, who has assured me that he too will go into this matter thoroughly. He informed me personally that they were now investigat-

ing the Brewster Aeronautical Corporation and the Brewster Export Corporation with a few of correcting irregularities and at the same time retaining the manufacturing facilities of the manufacturing corporation.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. HOFFMAN. What is the relationship, if any, between the firm, or corporation, the three stockholders, the prime contractor and the subcontractors?

Mr. ENGEL. On the face of it there is apparently no relationship.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. MARTIN J. KENNEDY. These charges are very startling. What authority does the gentleman have to support them, if any?

Mr. ENGEL. I have here before me the proxy statement of the Hayes Manufacturing Corporation, of Grand Rapids, Mich., dated December 17, 1941, sent out to its stockholders; the matter that appeared in the New York Times, and a letter from the Secretary of State of New York. I also took some information from the files of the Securities Exchange Commission.

Mr. MARTIN J. KENNEDY. But the matter the gentleman is referring to is all a matter of public record, is it not?

Mr. ENGEL. The records of the Securities and Exchange Commission show that the Hayes Manufacturing Corporation paid \$223,000 commission. In addition to that it shows they have \$12,000,000 in subcontracts still unfilled.

Mr. MARTIN J. KENNEDY. Is the gentleman suggesting that the Army or the War Department is in collusion with this company?

Mr. ENGEL. No; not at all. Judge Patterson, Under Secretary of War, assured me he would do what he could to eliminate this practice so far as the Army is concerned. Col. Frank Knox, Secretary of the Navy, gave me the same assurance. The Navy Department already had information regarding the Brewster Export Corporation and Miranda Brothers but knew nothing about the Hayes Aircraft Accessories Corporation.

Mr. MARTIN J. KENNEDY. Does not the Securities and Exchange Commission pass upon these proxy statements?

Mr. ENGEL. They pass upon the form which comes up but this is a report of the corporation to its own stockholders.

Mr. MARTIN J. KENNEDY. It is a public record.

Mr. ENGEL. I presume it is; yes.

Mr. MARTIN J. KENNEDY. What was this about, a stockholders' action or something?

Mr. ENGEL. No; I am just discussing this in connection with showing up waste of taxpayers' money. This \$850,000 commission paid on this Navy subcontract becomes a part of the cost of the subcontract and is ultimately paid by the taxpayer. The three men who received it did absolutely nothing to earn it. The Navy gave this Brewster company 13 contracts aggregating more than \$20,000,-

000. The \$5,000,000 subcontract let to the Hayes Manufacturing Corporation, including the 5-percent commission, becomes a part of the total cost of the prime contract. The Navy does not go back and audit the subcontract, it merely audits the prime contract.

Mr. MARTIN J. KENNEDY. But the Navy has knowledge of these associations and relationships.

Mr. ENGEL. Apparently they did not have such knowledge in this case.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. DITTER. While there may be no evidence of collusion such as the gentleman refers to, does the gentleman from Michigan feel that the conditions he has laid before the House indicate and designate a competency in administration and a care with reference to the expenditure of public funds that would bring the utmost in the way of preparedness and defense for the taxpayers' money expended?

Mr. ENGEL. What I am pointing out, I may say to my colleague from Pennsylvania, is that somebody in the Government has paid out \$850,000 in commission to a corporation organized in April of 1940 with 200 shares of non-par-value stock. This corporation is owned by three men who have done nothing to earn this vast sum and have given no value in return. Here is \$850,000 of the taxpayer's money wasted, the price of 3 bombers gone down a rat hole.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. BURDICK. I have been very interested in following every speech the gentleman has made upon this subject. Has the gentleman come to any conclusion of his own from his investigation, of waste in building army camps and such matters that he can now bring to our attention, any conclusion as to the percentage of waste and loss on those contracts?

Mr. ENGEL. I may say to the gentleman that according to the Graham Committee which investigated the waste in the building of cantonments in World War No. 1, it cost \$206,000,000 to build the cantonments where 4,000,000 were housed and trained in that war.

It cost us in this emergency \$800,000,000 to build the cantonments where the first 1,400,000 men were housed and trained. Pearson and Allen stated in the Merry-Go-Round that I charged the Army with wasting \$250,000,000, and went on and proved it. The Washington Merry-Go-Round can scarcely be said to be unfriendly to the New Deal. The Army wasted at least \$250,000,000 on the first Army cantonment program of this emergency. This is \$44,000,000 more than it cost us to build all the cantonments where 4,000,000 men were housed and trained in World War No. 1.

Mr. DITTER. Will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Pennsylvania.

Mr. DITTER. I feel that this is certainly the occasion when some one should commend the gentleman from Michigan

for the work he has been doing in showing the waste and the extravagance, and I feel confident that while some may not appreciate it, the taxpayers of the country are grateful for the energy with which the gentleman has approached the matter and the job he has done in uncovering the conditions that are present.

Mr. ENGEL. I thank the gentleman. Mr. HOFFMAN. Will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. It having been established that this waste has existed and is continuing, what can the gentleman say that we do about it? The taxpayers are getting sore. What can we do to stop it?

Mr. ENGEL. I do not know. I have done everything I could.

Mr. MARTIN J. KENNEDY. Will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from New York.

Mr. MARTIN J. KENNEDY. Did any of the company men have an opportunity to reply to the statement of yours? Did the gentleman invite them to answer his question?

Mr. ENGEL. I do not know what answer there can be to men taking a 5-percent commission on a Government defense contract. What answer can there be? Can you tell me what these three men did to earn the \$860,000 that they received in commissions on these subcontracts between the Brewster Aeronautical Corporation and other corporations as prime contractors, and the Hays Manufacturing Corporation, as subcontractor? What did they do for the money? What did the taxpayers receive in value for this \$850,000 paid these men in commissions?

Mr. EDMISTON. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from West Virginia.

Mr. EDMISTON. I was called to the telephone and did not hear the conclusion of the gentleman's statement. As I understand, this was a Navy contractor who sublet to the incorporators of this intermediate corporation?

Mr. ENGEL. No; that is wrong. These three men incorporated a corporation under the laws of the State of New York, with 200 shares of no-par-value stock. They were the sales agent in between the prime contractor and the subcontractor. They rendered no service. They were doing exactly what a lobbyist does down here when he gets a commission from the prime contractor for getting a Government defense contract.

Mr. EDMISTON. The prime contractor, under existing law, must go to the Navy Department when they let him a contract. Why is he dealing through this other corporation? He must show some reason for that.

Mr. ENGEL. I do not know about that. Mr. Knox told me that they were investigating the other two corporations, the Brewster Export Corporation and Mirandas Bros., Inc. There are billions of dollars spent in defense subcontracts. This is the first one I have come up against where they had a subcontract commission.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CAMP (at the request of Mr. BROWN of Georgia), for 4 days, on account of official business.

To Mr. COURTNEY (at the request of Mr. DAVIS of Tennessee), for 3 days, on account of illness.

To Mr. DREWRY, Mr. IZAC, Mr. SASSCER, Mr. HEFFERNAN, Mr. MAAS, Mr. MOTT, and Mr. BATES of Massachusetts (at the request of Mr. DREWRY), for 1 week, on account of official business.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1535. An act for the relief of the estate of John J. Murray;

H. R. 2120. An act for the relief of John H. Durnil;

H. R. 2430. An act for the relief of John Huff;

H. R. 4896. An act for the relief of David B. Byrne;

H. R. 5478. An act for the relief of Nell Mahoney;

H. R. 6511. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1943, and for other purposes; and

H. R. 6531. An act to suspend the effectiveness during the existing national emergency of tariff duties on scrap iron, scrap steel, and non-ferrous-metal scrap.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1535. An act for the relief of the estate of John J. Murray;

H. R. 2120. An act for the relief of John H. Durnil;

H. R. 2430. An act for the relief of John Huff;

H. R. 4896. An act for the relief of David B. Byrne;

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H. R. 6531. An act to suspend the effectiveness during the existing national emergency of tariff duties on scrap iron, scrap steel, and non-ferrous-metal scrap.

ADJOURNMENT

Mr. STARNES of Alabama. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 10, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

On Wednesday, March 11, 1942, at 10 a. m., Subcommittee No. 3 of the Committee on the Judiciary will continue hearings on H. R. 6444, to provide for the registration of labor organizations, business, and trade associations, and so forth. The hearing will be held in the Judiciary

Committee room, 346 House Office Building, Washington, D. C.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold a hearing at 10 a. m. on Wednesday, March 11, 1942, on H. R. 6633, H. R. 6717, H. R. 6718.

COMMITTEE ON BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Buildings and Grounds on Wednesday, March 11, 1942, at 10 a. m. for consideration of H. R. 6483. The hearing will be held in the caucus room, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1466. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 24, 1941, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Ohio River, with a view to providing protective works at Reevesville, Ill., and for protection of interstate highways and railroads from floods, requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on June 16, 1938; to the Committee on Flood Control.

1467. A letter from the Secretary of War, transmitting a draft of a proposed bill to exempt from duty personal and household effects brought into the United States under Government orders; to the Committee on Ways and Means.

1468. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1942, amounting to \$7,000, and a draft of a proposed provision pertaining to an existing appropriation, for the Department of State (H. Doc. No. 656); to the Committee on Appropriations and ordered to be printed.

1469. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend sections 1305 and 1306 of the Revised Statutes, as amended; to eliminate the prohibition against payment of deposits, and interest thereon, of enlisted men until final discharge; to the Committee on Military Affairs.

1470. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, or leaving military areas or zones; to the Committee on Military Affairs.

1471. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1942, amounting to \$4,750,000, for the Immigration and Naturalization Service of the Department of Justice (H. Doc. No. 657); to the Committee on Appropriations and ordered to be printed.

1472. A letter from the Postmaster General, transmitting a draft of a proposed bill to amend an act to fix the hours of duty of postal employees, and for other purposes, approved August 14, 1935, as amended, as to permit payment for overtime for Saturday service in lieu of compensatory time; to the Committee on the Post Office and Post Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOLAN: Select Committee Investigating National Defense Migration submits

a third interim report pursuant to House Resolution 113, Seventy-seventh Congress, first session; without amendment (Rept. No. 1879). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 6641 A bill to amend the act entitled "An act to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy," approved April 16, 1937; with amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MONRONEY:

H. R. 6752. A bill to confer jurisdiction in the United States courts in cases involving work stoppage for illegitimate and nonlabor purposes; to the Committee on the Judiciary.

By Mr. PADDOCK:

H. R. 6753. A bill to authorize the Securities and Exchange Commission to suspend, so far as is consistent with the public interest, the exercise of its duties and functions under section 11 of the Public Utility Holding Company Act of 1935; to the Committee on Interstate and Foreign Commerce.

By Mr. WICKERSHAM:

H. R. 6756. A bill to increase the number of midshipmen at the United States Naval Academy; to the Committee on Naval Affairs.

H. R. 6757. A bill to increase the number of cadets at the United States Military Academy; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LELAND M. FORD:

H. R. 6754. A bill for the relief of Alva Burton Rickey; to the Committee on Claims.

By Mr. ROBINSON of Utah:

H. R. 6755. A bill for the relief of certain Basque aliens; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2538 By Mr. CRAWFORD: Petition of Mrs. Vera Jacobs and 80 other residents of Shiawassee County, Mich., asking for the enactment of Senate bill 860; to the Committee on Military Affairs.

2539. By Mr. LUTHER A. JOHNSON: Memorial of Hon. Coke Stevenson, Governor of Texas; Gerald C. Mann, attorney general; George H. Sheppard, State comptroller; Jesse James, State treasurer; William J. Lawson, secretary of state; L. A. Woods, superintendent of public instruction, and Brady Gentry, chairman, State highway department, opposing House bills 6617 and 6750; to the Committee on Ways and Means.

2540. By Mrs. NORTON: Resolution adopted by the board of commissioners of the city of Bayonne, N. J., protesting against the passage of any law which has for its purpose the taxing of municipal bonds; to the Committee on Appropriations.

2541 By Mr. ROLPH: Resolution of the board of supervisors of San Benito County, Calif., adopted March 2, 1942, relative to the matter of evacuation and concentration of all Japanese and their descendants to a concentration camp under supervision of the

Federal Government; to the Committee on Military Affairs.

2542 By the SPEAKER: Petition of the municipal council of St. Thomas, V. I., petitioning consideration of their resolution with reference to method used by the Governor of the Virgin Islands to get amendments passed by the Congress of the United States of America to the Organic Act of the Virgin Islands, United States of America; to the Committee on Insular Affairs.

SENATE

TUESDAY, MARCH 10, 1942

(Legislative day of Thursday, March 5, 1942)

The Senate met at 12 o'clock noon on the expiration of the recess.

The Chaplain, the Very Reverend ZēBarney T. Phillips, D. D., offered the following prayer:

O Thou Christ of God, who didst come not to be ministered unto but to minister, and to seek and to save that which was lost in our humanity: Help us each day to realize that only the eternal is important and that faith in Thee survives all change, satisfies the cravings of the soul, enables us to see the things that unite us in the Kingdom of God, and to overlook the things that separate us each from the other.

Grant to us all the strength and determination to purge from our lives, in these days of fiery trial, all that is unlovely and whatsoever is of ill report. And, as we strive to rise and to acquit ourselves like men, do Thou reveal to us again the wondrous fact that the dynamic of the Cross hath continuing power to heal, soothe, and cleanse the broken lives of all who are oppressed, and that the truest, holiest manhood trusts in the Fatherhood of God, clings to the ideals of brotherhood, and prays continually that Eternal Love shall reign in the hearts of men. In Thy Name and for Thy sake alone we dare to pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, March 9, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3798) to amend the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," and it was signed by the Vice President.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF SECRETARY OF THE SENATE (S. Doc. No. 176)

A letter from the Secretary of the Senate, submitting, pursuant to law, his annual report for the period from July 1, 1940, to June 30, 1941, inclusive (with an accompanying report); ordered to lie on the table and to be printed.

HOURS AND DUTY OF POSTAL EMPLOYEES

A letter from the Postmaster General, transmitting a draft of proposed legislation to amend "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended, so as to permit payment for overtime for Saturday service in lieu of compensatory time (with an accompanying paper); to the Committee on Post Offices and Post Roads.

PETITIONS

Mr. TYDINGS presented the following petitions, which were referred as indicated:

A petition of sundry citizens of the State of Maryland, praying for the enactment of legislation to outlaw strikes; to the Committee on Education and Labor.

A petition of sundry citizens of Prince Georges County, Md., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

OPERATIONS OF THE OFFICE OF CIVILIAN DEFENSE—PETITION

Mr. TYDINGS also presented a paper in the nature of a petition from sundry citizens of the State of Maryland, which was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, without the signatures attached thereto, as follows:

To the Senators and Congressmen of the People of the United States:

We, the undersigned, do absolutely and unrestrictedly hereby object to the conduct of the National Office of Civilian Defense. The words "Office of Civilian Defense" were believed by us to mean defense of civilians' lives and property in case of air-raid attacks. In order for that defense to be built up we believed that one office would be set up in each city or area. That out of that office would be sent people to teach civilian volunteers their duties in the various branches of needed civilian defense.

We did not know, when we volunteered our time and our services, that one office, very capably handled, by a man in charge volunteering his services in civilian defense free, would do all the work, while another office, tenanted by people drawing big salaries, would carry on absolutely unnecessary foolish tasks. We refer to hale America. We are not yet the dumb, strong Americans that Mr. Kelly would have us.

We are intelligent Americans, and we are insisting that the Office of Civilian Defense be changed to mean what the name implies.

We are demanding that the money, which is being spent on salaries in these unnecessary offices be taken away immediately and be spent on gas masks for the civilian population. In the case of Baltimore alone, \$28,000 would buy a few gas masks.